

## THIRTY-NINTH DAY

St. Paul, Minnesota, Thursday, April 25, 1991

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

### CALL OF THE SENATE

Ms. Ranum 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. Milan Ingman.

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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 23, 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. 34, 254, 391 and 734.

Warmest regards,

Arne H. Carlson, Governor

April 24, 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. 713.

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 326:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Osthoff, Scheid and Abrams have been appointed as such committee on the part of the House.

House File No. 326 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 24, 1991

Mr. Pogemiller, for Mr. Hughes, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 326, 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. 375 and 422.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 24, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 375: 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 Rules and Administration for comparison with S.F. No. 379, now on General Orders.

H.F. No. 422: 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 Rules and Administration for comparison with S.F. No. 334, 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. 1507 and 1503. The motion prevailed.

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

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.

Reports the 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 245.461, subdivision 3, is amended to read:

Subd. 3. [REPORT.] By February 15, 1988, and annually after that until February 15, ~~1990~~ 1994, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.461 to 245.486 and on additional resources needed to further implement those sections.

Sec. 2. Minnesota Statutes 1990, section 245.461, is amended by adding a subdivision to read:

*Subd. 5. [FUNDING FROM THE FEDERAL GOVERNMENT AND OTHER SOURCES.] The commissioner shall seek and apply for federal and other nonstate, nonlocal government funding for the mental health services specified in sections 245.461 to 245.486, in order to maximize nonstate, nonlocal dollars for these services.*

Sec. 3. Minnesota Statutes 1990, section 245.462, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] “Community support services program” means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help adults with serious and persistent mental illness to function and remain in the community. A community support services program includes:

- (1) client outreach,
- (2) medication monitoring,
- (3) assistance in independent living skills,
- (4) development of employability and work-related opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) ~~the development, identification, and monitoring of living arrangements housing support services.~~

The community support services program must be coordinated with the case management services specified in section 245.4711.

Sec. 4. Minnesota Statutes 1990, section 245.462, subdivision 18, is amended to read:

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] “Mental health professional” means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist *in adult psychiatric and mental health nursing* by the American nurses association or who has a master’s degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master’s supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master’s degree in social work from an accredited college or university, with at least 4,000 hours of post-master’s supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master’s degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master’s supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 5. Minnesota Statutes 1990, section 245.4711, is amended by adding

a subdivision to read:

*Subd. 9. [REVISION OF RULES.] (a) The commissioner, by July 1, 1992, shall revise existing rules governing case management services, in order to:*

- (1) make improvements in rule flexibility;*
  - (2) establish a comprehensive coordination of services;*
  - (3) increase the rate of reimbursement for case management services;*
  - (4) require case managers to arrange for standardized assessments of side effects related to the administration of psychotropic medication;*
  - (5) establish a reasonable caseload limit for case managers;*
  - (6) provide reimbursement for transportation costs for case managers;*  
*and*
  - (7) review the eligibility criteria for case management services covered by medical assistance.*
- (b) Until rule amendments are adopted under paragraph (a), in-county travel by case managers is reimbursable under the medical assistance program subject to the six-hour limit on case management services.*

Sec. 6. Minnesota Statutes 1990, section 245.472, is amended by adding a subdivision to read:

*Subd. 4. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for residential services are based on the clinical needs of the adult. The county board shall ensure that each entity under contract with the county to provide residential treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. All contracts for the provision of residential services must include provisions guaranteeing clients the right to appeal under section 245.477 and to be advised of their appeal rights.*

Sec. 7. Minnesota Statutes 1990, section 245.473, is amended by adding a subdivision to read:

*Subd. 3. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for acute care inpatient services are based on the clinical needs of the adult. The county board shall ensure that each entity under contract with the county to provide acute care hospital treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. All contracts for the provision of acute care hospital inpatient treatment services must include provisions guaranteeing clients the right to appeal under section 245.477 and to be advised of their appeal rights.*

Sec. 8. Minnesota Statutes 1990, section 245.473, is amended by adding a subdivision to read:

*Subd. 4. [INDIVIDUAL PLACEMENT AGREEMENT.] Except for services reimbursed under chapters 256B and 256D, the county board shall enter into an individual placement agreement with a provider of acute care hospital inpatient treatment services to an adult eligible for services under this section. The agreement must specify the payment rate and the terms and conditions of county payment for the placement.*

Sec. 9. Minnesota Statutes 1990, section 245.484, is amended to read:  
245.484 [RULES.]

*The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.*

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and ~~Laws 1989, chapter 282, article 4, sections 1 to 53~~ 245.487 to 245.4887. *The commissioner shall reassign agency staff as necessary to meet this deadline.*

Sec. 10. Minnesota Statutes 1990, section 245.487, subdivision 4, is amended to read:

*Subd. 4. [IMPLEMENTATION.] (a) The commissioner shall begin implementing sections 245.487 to 245.4887 by February 15, 1990, and shall fully implement sections 245.487 to 245.4887 by ~~January~~ July 1, 1992 1993.*

*(b) Annually until February 15, 1992 1994, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.487 to 245.4887 and on additional resources needed to further implement those sections. The report shall include information on county and state progress in identifying the needs of cultural and racial minorities and in using special mental health consultants to meet these needs.*

Sec. 11. Minnesota Statutes 1990, section 245.487, is amended by adding a subdivision to read:

*Subd. 6. [FUNDING FROM THE FEDERAL GOVERNMENT AND OTHER SOURCES.] The commissioner shall seek and apply for federal and other nonstate, nonlocal government funding for mental health services specified in sections 245.487 to 245.4887, in order to maximize nonstate, nonlocal dollars for these services.*

Sec. 12. Minnesota Statutes 1990, section 245.4871, subdivision 27, is amended to read:

*Subd. 27. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the diagnosis and treatment of children's emotional disorders. A mental health professional must have training and experience in working with children consistent with the age group to which the mental health professional is assigned. A mental health professional must be qualified in at least one of the following ways:*

*(1) in psychiatric nursing, the mental health professional must be a registered nurse who is licensed under sections 148.171 to 148.285 and who is certified as a clinical specialist in child and adolescent psychiatric or mental health nursing by the American nurses association or who has a master's degree in nursing or one of the behavioral sciences or related fields*

*from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;*

(2) in clinical social work, the mental health professional must be a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental disorders;

(3) in psychology, the mental health professional must be a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental disorders;

(4) in psychiatry, the mental health professional must be a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields, the mental health professional must be a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of emotional disturbances.

Sec. 13. Minnesota Statutes 1990, section 245.4871, subdivision 31, is amended to read:

Subd. 31. [PROFESSIONAL HOME-BASED FAMILY TREATMENT.] "Professional home-based family treatment" means intensive mental health services provided to children *because of a severe emotional disturbance* (1) who are at risk of out-of-home placement; (2) who are in out-of-home placement; or (3) who are returning from out-of-home placement ~~because of an emotional disturbance~~. Services are provided to the child and the child's family primarily in the child's home environment ~~or other location~~. *Services may also be provided in the child's school, child care setting, or other community setting appropriate to the child. Examples of appropriate locations include, but are not limited to, the child's school, day care center, home, and any other living arrangement of the child.* Services must be provided on an individual family basis, must be child-oriented and family-oriented, and must be designed *using information from diagnostic and functional assessments* to meet the specific mental health needs of the child and the child's family. *Examples of services include family and are: (1) individual therapy and; (2) family therapy; (3) client outreach; (4) assistance in developing individual living skills training and; (5) assistance in developing parenting skills necessary to address the needs of the child; (6) assistance with leisure and recreational services; (7) crisis assistance, including crisis respite care and arranging for crisis placement; and (8) assistance in locating respite and child care. Services must be coordinated with other service providers services provided to the child and family.*

Sec. 14. Minnesota Statutes 1990, section 245.4871, is amended by adding a subdivision to read:

Subd. 33a. [SPECIAL MENTAL HEALTH CONSULTANT.] "*Special mental health consultant*" is a mental health practitioner or professional with special expertise in treating children from a particular cultural or racial minority group.

Sec. 15. Minnesota Statutes 1990, section 245.4873, subdivision 6, is amended to read:

Subd. 6. [PRIORITIES.] By January 1, 1992, the commissioner shall require that each of the treatment services and management activities described in sections 245.487 to 245.4887 be developed for children with emotional disturbances within available resources based on the following ranked priorities. *The commissioner shall reassign agency staff and use consultants as necessary to meet this deadline:*

- (1) the provision of locally available mental health emergency services;
- (2) the provision of locally available mental health services to all children with severe emotional disturbance;
- (3) the provision of early identification and intervention services to children who are at risk of needing or who need mental health services;
- (4) the provision of specialized mental health services regionally available to meet the special needs of all children with severe emotional disturbance, and all children with emotional disturbances;
- (5) the provision of locally available services to children with emotional disturbances; and
- (6) the provision of education and preventive mental health services.

Sec. 16. 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 act funds allocated by the commissioner according to a biennial local children's mental health service proposal required under section 245.4887, and approved by the commissioner. The county board must:

- (1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) 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) 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) 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) 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; *and*

*(11) assure that special mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage.*

Sec. 17. Minnesota Statutes 1990, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1991, the county board shall provide case management services for each child with severe emotional disturbance who is a resident of the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

*(b) Except as permitted by law and the commissioner under demonstration projects, case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.*

Sec. 18. Minnesota Statutes 1990, section 245.4882, is amended by adding a subdivision to read:

*Subd. 4. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for residential treatment services are based on the clinical needs of the child. The county board shall ensure that each entity under contract to provide residential treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. The county board shall ensure that, at least ten days prior to discharge, the operator of the residential treatment facility shall provide written notification of the discharge to the child's parent or caretaker, the local education agency in which the child is enrolled, and the receiving education agency to which the child will be transferred upon discharge. When the child has an individual education plan, the notice shall include a copy of the individual education plan. All contracts for the provision of residential services must include provisions guaranteeing clients the right to appeal under section 245.4886 and to be advised of their appeal rights.*

Sec. 19. Minnesota Statutes 1990, section 245.4882, is amended by adding a subdivision to read:

*Subd. 5. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for acute care hospital inpatient treatment services are based on the clinical needs of the child and, if appropriate, the child's family. The county board shall ensure that each entity under contract with the county to provide acute care hospital treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts should specify the specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. All contracts for the provision of acute care hospital inpatient treatment services must include provisions guaranteeing clients the right to appeal under section 245.4886 and to be advised of their appeal rights.*

Sec. 20. Minnesota Statutes 1990, section 245.4884, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

- (1) ~~handle~~ manage basic activities of daily living;
- (2) ~~improve functioning~~ function appropriately in home, school, and community settings;
- (3) participate in leisure time or community youth activities;
- (4) set goals and plans;
- (5) reside with the family in the community;
- (6) participate in after-school and summer activities;
- (7) make a smooth transition among mental health *and education* services provided to children; and
- (8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

Sec. 21. Minnesota Statutes 1990, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] The county board shall, ~~upon prior to admission, except in the case of emergency admission,~~ screen all children ~~admitted~~ referred for treatment of severe emotional disturbance to a residential treatment facility, ~~an acute care hospital,~~ or informally admitted to a regional treatment center if public funds are used to pay for the services. *The county board shall also screen all children admitted to an acute care hospital for treatment of severe emotional disturbance if public*

*funds other than reimbursement under chapters 256B and 256D are used to pay for the services. If a child is admitted to a residential treatment facility or acute care hospital for emergency treatment of emotional disturbance or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five three working days of admission. Screening shall determine whether the proposed treatment:*

- (1) is necessary;
- (2) is appropriate to the child's individual treatment needs;
- (3) cannot be effectively provided in the child's home; and
- (4) provides a length of stay as short as possible consistent with the individual child's need.

*Screening shall include both a diagnostic assessment and a functional assessment which evaluates family, school, and community living situations. If a diagnostic assessment or functional assessment has been completed by a mental health professional within 180 days, a new diagnostic or functional assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the screening process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether or not these services are available and accessible to the child and family.*

During the screening process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

Screening shall be in compliance with section 256F.07 or 257.071, whichever applies. Wherever possible, the parent shall be consulted in the screening process, unless clinically inappropriate.

The screening process, and placement decision, and recommendations for mental health services must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to ~~(5)~~ (4).

Sec. 22. Minnesota Statutes 1990, section 245.4885, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] No later than July 1, 1991, screening of children for residential and inpatient services must be conducted by a mental health professional. *Where appropriate and available, special mental health consultants must participate in the screening.* Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facility, or regional treatment center. The commissioner may waive this

requirement for mental health professional participation after July 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service; and

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional.

Sec. 23. Minnesota Statutes 1990, section 245.4885, is amended by adding a subdivision to read:

*Subd. 3a. [SUMMARY DATA COLLECTION.] The county board shall annually collect summary information on the number of children screened, the age and racial or ethnic background of the children, the presenting problem, and the screening recommendations. The county shall include information on the degree to which these recommendations are followed and the reasons for not following recommendations. Summary data shall be available to the public and shall be used by the county board and local children's advisory council to identify needed service development.*

Sec. 24. [245.4886] [CHILDREN'S COMMUNITY-BASED MENTAL HEALTH FUND.]

*Subdivision 1. [STATEWIDE PROGRAM; ESTABLISHMENT.] The commissioner shall establish a statewide program to assist counties in providing services to children with severe emotional disturbance as defined in section 245.4871, subdivision 15, and their families. Services must be designed to help each child to function and remain with the child's family in the community. The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide the following services in the following order of priority when these cannot be reimbursed under section 256B.0625:*

*(1) family community support services including crisis placement and crisis respite care as specified in section 245.4871, subdivision 17;*

*(2) case management services as specified in section 245.4871, subdivision 3;*

*(3) day treatment services as specified in section 245.4871, subdivision 10;*

*(4) professional home-based family treatment as specified in section 245.4871, subdivision 31; and*

*(5) therapeutic support of foster care as specified in section 245.4871, subdivision 34.*

*Funding appropriated beginning July 1, 1991, must be used by county boards to provide family community support services and case management services. Additional services shall be provided in the order of priority as identified in this subdivision.*

*Subd. 2. [GRANT APPLICATION AND REPORTING REQUIREMENTS.] To apply for a grant a county board shall submit an application and budget for the use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. In awarding grants, the*

*commissioner shall give priority to those counties whose applications indicate plans to collaborate in the development, funding, and delivery of services with other agencies in the local system of care. The commissioner shall adopt emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The commissioner shall require collection of data and periodic reports which the commissioner deems necessary to demonstrate the effectiveness of each service in realizing the stated purpose as specified for family community support in section 245.4884, subdivision 1; therapeutic support of foster care in section 245.4884, subdivision 4; professional home-based family treatment in section 245.4884, subdivision 3; day treatment in section 245.4884, subdivision 2; and case management in section 245.4881.*

Sec. 25. Minnesota Statutes 1990, section 253C.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "residential program" means (1) a ~~freestanding primary treatment program or~~ hospital-based primary treatment program that provides residential treatment to ~~chemically dependent or mentally ill~~ minors with emotional disturbance as defined by the comprehensive children's mental health act in sections 245.487 to 245.4888, or (2) a facility licensed by the state under Minnesota Rules, parts 9545.0900 to 9545.1090, to provide services for emotionally disturbed to minors on a 24-hour basis.

Sec. 26. Minnesota Statutes 1990, section 253C.01, subdivision 2, is amended to read:

Subd. 2. [~~ANNUAL REPORT INFORMATION REQUIRED.~~] Beginning June 1, 1986, each residential program shall collect the information listed in this subdivision. Each residential program shall ~~file a report no later than December 31, 1986, containing the information collected as of that date. Thereafter, each residential program shall prepare an annual report for the year ending June 30 of each year and file the report no later than December 31 of each year. Hospital-based primary treatment programs shall file the report with the commissioner of health provide the required information annually on a date to be determined by the commissioner of human services. All other residential programs shall file the report with~~ to the commissioner of human services. The *summary reports on each program* are public data and must contain at least the following information for the period covered by the report:

- (1) number of minors admitted to the program;
- (2) number of minors discharged from the program;
- (3) ~~primary diagnoses of each admitted minor~~ number of minors served during the reporting period;
- (4) number of minors who remained in residence for less than 30 days;
- (5) number of minors who remained in residence for between 30 and 60 days;
- (6) number of minors who remained in residence for more than 60 days;
- (7) average length of stay of minors in the program;

(8) number of minors who have received psychotropic medications *as part of treatment in the program*;

(9) age, race, and sex of each minor *admitted to the program*;

(10) ~~copy of written notices, forms, and other procedures being used to advise minors and their parents of their rights~~;

~~(11) number of minors admitted or presently in residence who have previously had residential treatment~~;

~~(12) (11) number of minors discharged who are on private pay or third-party reimbursement payment and number who are receiving government funds for treatment~~;

~~(13) criteria for admission and continued stay (12) the county of residence of discharged minors~~;

~~(14) (13) number of admitted minors whose admission is court-ordered; and~~

~~(15) (14) number of beds on a locked unit and number of beds on an unlocked unit.~~

~~The information required by this subdivision must be separately stated for chemically dependent, mentally ill, and emotionally disturbed minors as defined by the residential programs.~~

Sec. 27. Minnesota Statutes 1990, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS CASE MANAGEMENT.] To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness or subject to federal approval, children with severe emotional disturbance.

Sec. 28. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

*Subd. 2m. [DOWNSIZING OF NURSING FACILITIES THAT ARE INSTITUTIONS FOR MENTAL DISEASE.] (a) The provisions of this subdivision apply to a nursing facility that is an institution for mental disease and that has less than 23 licensed beds. A nursing facility that meets these conditions may reduce its total number of licensed beds to 16 licensed beds before April 1, 1992, by notifying the commissioner of health of the reduction by that date. If the nursing facility elects to reduce its licensed beds to 16, the commissioner of health shall approve that request effective on the date of request.*

*(b) The commissioner of human services must be notified by the nursing facility of the reduction in licensed beds by April 4, 1992, and that notice must include a copy of the request for reduction submitted to the commissioner of health.*

*(c) For the rate year beginning July 1, 1992, the commissioner shall establish the operating cost payment rates for a nursing facility that has reduced its licensed bed capacity under this subdivision by taking into account paragraphs (1) and (2).*

*(1) The commissioner must reduce the nursing facility's nurse's aide, orderly, and attendant salaries account and the food expense account for*

*the reporting year ending September 30, 1991, by 50 percent of the percentage change in licensed beds.*

*(2) The commissioner shall adjust the nursing facility's resident days and standardized resident days for the reporting year ending September 30, 1991, as in clauses (i) and (ii).*

*(i) Resident days shall be the lesser of the nursing facility's actual resident days for that reporting year or 5,840.*

*(ii) Standardized resident days shall be the lesser of the nursing facility's actual standardized resident days or the nursing facility's case mix score for that reporting year times 5,840.*

*(d) For the rate year beginning July 1, 1993, the commissioner shall establish the operating cost payment rates for a nursing facility that has reduced its licensed bed capacity under this subdivision by taking into account paragraphs (1) and (2).*

*(1) The commissioner must reduce the nursing facility's account for the nurse's aide, orderly, and attendant salaries, and its account for food expense for the reporting year ending September 30, 1992, by 37.5 percent of the percentage change in licensed beds.*

*(2) The commissioner shall adjust the nursing facility's resident days and standardized resident days for the reporting year ending September 30, 1992, as in clauses (i) and (ii).*

*(i) Resident days shall be the lesser of the nursing facility's actual resident days for that reporting year or 5,840.*

*(ii) Standardized resident days shall be the lesser of the nursing facility's actual standardized resident days or the nursing facility's case mix score for that reporting year times 5,840.*

Sec. 29. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

*Subd. 2n. [NEGOTIATED RATE CAP EXEMPTION.] A nursing facility which requests, after January 1991, that its boarding care beds be decertified from participation in the medical assistance program, is not eligible for the exception to the negotiated rate cap in section 256I.05, subdivision 2, paragraph (c), clause (1).*

Sec. 30. [RULE REVISION.]

*The commissioner must revise Minnesota Rules, parts 9545.0900 to 9545.1090, which govern facilities that provide residential services for children with emotional handicaps. The rule revisions must be adopted within 12 months of the effective date of this section.*

Sec. 31. [TASK FORCE TO STUDY INTEGRATED CHILDREN'S MENTAL HEALTH FUNDING.]

*The commissioner of human services shall convene a task force to study the feasibility of establishing an integrated children's mental health fund. The task force shall consist of mental health professionals, county social services personnel, service providers, advocates, and parents of children who have experienced episodes of emotional disturbance. The task force shall also include representatives of the children's mental health subcommittee of the state advisory council and local coordinating councils established under Minnesota Statutes, sections 245.487 to 245.4887. The task*

*force shall include the commissioners of education, health, and human services; two members of the senate; and two members of the house of representatives. The task force shall examine all possible county, state, and federal sources of funds for children's mental health with a view to designing an integrated children's mental health fund. Programs to be examined shall include, but not be limited to, the following: medical assistance, title IV-E of the Social Security Act, title XX social service programs, chemical dependency programs, education and special education programs, and, for children with a dual diagnosis, programs for the developmentally disabled. The task force shall examine funding sources with a view to maximizing federal funding, and may consult with experts in the field, as necessary. The task force shall report back to the legislature by February 15, 1993, with its recommendations.*

Sec. 32. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, to implement sections 1, 2, 5, and 11.*

Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, section 245.476, subdivisions 1, 2, and 3, are repealed.*

Sec. 34. [INSTRUCTION TO REVISOR.]

*The revisor of statutes shall renumber Minnesota Statutes, section 245.4886, as section 245.4887 and Minnesota Statutes, section 245.4887, as section 245.4888, and shall correct all relevant cross-references in Minnesota Statutes and Minnesota Rules.*

Sec. 35. [EFFECTIVE DATE.]

*Sections 5 and 9 are effective the day following final enactment."*

Delete the title and insert:

"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; modifying the requirement for county maintenance of effort; including community residential treatment as a service covered by medical assistance; expanding county duties; assigning additional duties to the commissioner of human services; imposing criteria for admission, continued stays, and discharges for inpatient hospital and residential treatment; requiring the commissioner to revise and adopt rules; requiring a study; appropriating money; amending Minnesota Statutes 1990, sections 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 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; 256B.0625, subdivision 20; 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."

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. 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.

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

Page 7, line 2, delete "*ombudsperson*" and insert "*ombudspersons*" and delete "*his*" and insert "*their*"

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. [FUNDING FOR PILOT PROGRAM.]

*The commissioner of human services shall authorize Olmsted county to use \$496,000 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and administered under Minnesota Rules, parts 9535.2000 to 9535.3000. The commissioner shall allocate this grant money to Olmsted county and the local housing and redevelopment authority for enhanced community support services provided to persons with mental illness through the dispersed apartment pilot program.*

Sec. 2. [GOODHUE COUNTY PILOT PROJECT.]

*The commissioner of human services shall authorize Goodhue county to use \$61,640 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, to provide supportive housing services for persons who are chronically mentally ill.*

Sec. 3. [FILLMORE COUNTY PILOT PROJECT.]

*The commissioner of human services shall authorize Fillmore county to use \$18,760 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, to provide supportive housing services for persons who are chronically mentally ill."*

Delete the title and insert:

“A bill for an act relating to human services; providing funding for various pilot projects.”

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. 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.

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

Page 1, line 12, after “in” insert “*establishing and*” and after “that” insert “*have used the principles listed in subdivision 2, paragraph (b), in order to*”

Page 1, line 14, delete “, to” and insert “and”

Page 3, line 1, before “assessment” insert “*registered nurse directed*”

Page 3, line 2, delete the first comma and insert “and” and delete “, and homemaking”

Page 3, line 5, after the second comma, insert “*homemaking services,*”

Page 3, line 7, after “encourage” insert “*respite care, caregiver support, and*”

Page 3, lines 22 and 24, delete “neighborhoods” and insert “communities”

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 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 do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [237.068] [MULTIPARTY LINE TELEPHONE SERVICE.]

*After October 31, 1993, no telephone company may offer or provide multiparty line telephone service to more than two subscribers per line, unless otherwise approved by the commission.*

**Sec. 2. [CONVERSION FROM MULTIPARTY LINE TELEPHONE SERVICE.]**

*As soon as practicable, each telephone company that provides four-party telephone service in this state shall file a plan with the public utilities commission for the purpose of elimination of that service by October 31, 1993. By January 1, 1992, and by January 1, 1993, the commission shall report to the legislature on progress made on elimination of four-party service in the state. If the commission approves provision of four-party service beyond October 31, 1993, each report must include an explanation of that approval and a specific schedule for elimination of the service within the shortest feasible time after that date. The cost of converting from four-party service must be recovered through the rates for all of the company's customers proportionally according to the rate structure of the company."*

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. 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.

Reports the same back with the recommendation that 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.

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

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.

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. 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.

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 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate:

For the period on and after ~~May 1, 1988~~ *July 1, 1991*, gasoline is taxed at the rate of ~~20~~ 23 cents per gallon.”

Page 2, after line 28, insert:

“Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1991, and applies to gasoline and special fuel in distributor storage on that date.”*

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after “structures;” insert “amending the gasoline and special fuel excise tax rate;” and before “Laws” insert “Minnesota Statutes 1990, section 296.02, subdivision 1b; and”

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. Dahl from the Committee on Education, to which was referred

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.

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

S.F. No. 1425: A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

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. 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.

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

Page 1, line 20, before “*Minnesota*” insert “*state university system, community college system,*”

Page 2, line 10, delete everything after “*after*” and insert “*July 1, 1991,*”

Page 2, line 11, delete "August" and insert "October"

Page 2, delete lines 25 and 26 and insert:

*"(5) in the case of a school district employee, retires on or after May 20, 1991, and before July 21, 1991; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1991, and before October 1, 1991."*

Page 2, line 33, delete everything after "employer" and insert "may not receive more than one employer payment for health insurance for any one time period."

Page 2, delete lines 34 and 35

Page 2, line 36, delete everything before "For"

Page 3, line 3, after "for" insert "single and dependent"

Page 3, line 5, after "coverage" insert "and employer and employee payments"

Page 3, line 15, after the period, insert "Nothing in this section obligates, limits, or otherwise affects the right of the University of Minnesota to provide employer-paid hospital, medical, and dental benefits and life insurance to any person."

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 re-referred

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.

Reports the 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 171.06, is amended by adding a subdivision to read:

*Subd. 2b. [FEES INCREASED.] The fees for classified drivers' licenses and classified under 21 drivers' licenses in subdivision 2 are increased by \$2. This increase does not apply to duplicate drivers' licenses. The additional fees must be paid into the state treasury and credited to the emergency medical services personnel account established in section 2.*

Sec. 2. Minnesota Statutes 1990, section 353D.01, is amended by adding a subdivision to read:

*Subd. 1a. [EMERGENCY MEDICAL SERVICES PERSONNEL ACCOUNT.] The emergency medical services personnel account is a separate account in the general fund consisting of money deposited in the general fund from the additional drivers license fee, and money forfeited under sections 10 and 11. Investment earnings on money in the account*

*must be credited to the account.*

Sec. 3. Minnesota Statutes 1990, section 353D.01, is amended by adding a subdivision to read:

*Subd. 1b. [APPROPRIATION.] Money from the emergency medical services account is appropriated on January 1 each year to the public employees retirement association to fund the ambulance service personnel incentive program as provided in section 8.*

Sec. 4. Minnesota Statutes 1990, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) Except as provided in section 353D.11, eligibility to participate in the retirement plan is open to:

(1) an elected local government official of a governmental subdivision who elects to participate in the plan who is not a member of the public employees retirement association within the meaning of section 353.01, subdivision 7; ~~and to;~~

(2) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate; *and*

(3) a person who qualifies to have an ambulance service personnel incentive payment made on the person's behalf under section 8.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Elected local government official does not include an elected county sheriff. Except as provided in section 353D.11, elected local government officials and first response personnel and emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the plan.

Sec. 5. Minnesota Statutes 1990, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

~~Eligible~~ (a) Elected local government officials *eligible under section 353D.01, subdivision 2, paragraph (a), clause (1),* may elect to participate in the plan after being elected or appointed to a public office by filing an application to participate on a form prescribed by the executive director of the association. Participation begins on the first day of the month after the application is received in the association's office or on the date when the term of office commences, whichever date is later. An election to participate in the plan is irrevocable during incumbency in office.

~~Each~~ (b) For personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), a public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, whichever date is later. An election by a service or an individual is irrevocable.

(c) *A person eligible under section 353D.01, subdivision 2, paragraph (a), clause (3), may elect to participate in the plan. The person must elect to participate or decline to participate by June 30, 1994, or by June 30 of the fiscal year after June 30, 1994, which the person first becomes qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 8.*

Sec. 6. [353D.021] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO PROVIDE PLAN INFORMATION TO CERTAIN AMBULANCE ATTENDANTS.]

*The public employees retirement association shall undertake all practical efforts to inform ambulance attendants, ambulance drivers, and ambulance service medical directors on an ongoing basis about the ambulance service personnel incentive program and their eligibility to elect to participate in this plan. The commissioner of health and the executive director of the state board of investment shall provide all reasonable assistance to the public employees retirement association in preparing relevant information on the incentive program and the plan.*

Sec. 7. Minnesota Statutes 1990, section 353D.03, is amended to read:  
353D.03 [FUNDING OF PLAN.]

(a) *An eligible elected local government official eligible under section 353D.01, subdivision 2, paragraph (a), clause (1), who elects to participate in the public employees defined contribution plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.*

(b) *A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), who individually elect to participate, except that personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions. An ambulance service with personnel covered by this paragraph that has ambulance attendants, ambulance drivers, and ambulance service medical directors qualified to have an ambulance service personnel incentive payment made on the person's behalf, under section 8, may discontinue that funding if the ambulance service has given its participating personnel at least 18 months' notice of its intent to discontinue its funding of the plan.*

Sec. 8. [353D.031] [AMBULANCE SERVICE PERSONNEL INCENTIVE PROGRAM.]

*Subdivision 1. [ADMINISTRATION.] The money credited in the emergency medical services personnel account must be allocated annually by the executive director of the public employees retirement association.*

*Subd. 2. [ELIGIBILITY FOR ALLOCATION.] (a) The money credited in the emergency medical services personnel account must be annually allocated on the basis of the number of qualified personnel and their credited*

*service during the previous year ending June 30.*

*(b) The amount of revenue paid to the emergency medical services account since the effective date of this section or the date of the last allocation, whichever applies, plus any net investment income credited to the account, must be determined.*

*(c) The number of qualified personnel must be determined. Qualified personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors who:*

*(1) are employed by or serving an ambulance service that is licensed as such by the state of Minnesota;*

*(2) perform all or a predominant portion of services in Minnesota or on behalf of Minnesota residents, as certified by the chief administrative officer of the ambulance service;*

*(3) are currently certified by the department of health as an ambulance attendant, ambulance driver, or ambulance service medical director and are certified as active by the chief administrative officer of the ambulance service;*

*(4) for the year in question, would be considered a volunteer attendant under section 144.8091, subdivision 2, except that the salary limit is \$3,000 for calendar year 1992, and for subsequent years is \$3,000 multiplied by the cumulative percentage increase in the National Consumer Price Index for all urban wage earners published by the federal Department of Labor since December 31, 1992;*

*(5) for an ambulance service medical director, meets the salary limit set forth in clause (4) based only on the person's hourly stipends or salary for service as a medical director; and*

*(6) has credit for no more than 20 years of service.*

*(d) The amount of credited service by qualified personnel in the form of units must be determined. A year of service by a qualified person after the person elects to participate in the plan, or after January 1, 1992, whichever is later, is equal to two units. If a qualified person has service that would have qualified before the date of election of participation or January 1, 1992, whichever is later, the person must receive an additional one-fifth of a unit per year of that service for a maximum of five years, except that the person cannot receive credit for any year in which contributions were made by an ambulance service on the person's behalf under sections 353D.03 and 353D.04.*

*Subd. 3. [ALLOCATION.] The money available for allocation must be divided by the total number of units associated with qualified personnel to determine the dollar value of a unit. A qualified person is entitled to have deposited on the person's behalf in the person's individual account an amount equal to the dollar value of a unit multiplied by the person's number of units credited for that year under subdivision 2, paragraph (d).*

Sec. 9. Minnesota Statutes 1990, section 353D.05, is amended to read:  
353D.05 [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Employing unit contributions under section 353D.03, and ambulance service personnel incentive allocations under section 8, after the deduction of an amount for administrative



expenses, and individual participant contributions must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of the *total contributions and ambulance service personnel incentive allocation* to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. After a choice is made, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date occurring more than 30 days after receipt of the written choice of options.

(c) One month before the start of a new guaranteed investment contract, a participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for a benefit payment under section 353D.07.

(d) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares in accounts other than the guaranteed return account. If a partial transfer of previously purchased shares is selected, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment option. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Subd. 3. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct an amount, ~~set annually by the executive director of the association, but not to exceed two percent of the employing unit contributions to the plan,~~ to defray the expenses of the association in administering the plan. *The amount must be set annually by the executive director of the association, but not to exceed two percent of the total amount of the employing unit contributions to the plan and the ambulance service personnel incentive allocation received by the plan.*

Sec. 10. [353D.051] [VESTING FOR INCENTIVE ASSOCIATIONS.]

(a) Sixty months of service credit, accumulated after the date on which the person elects to participate in the plan, are required for vesting of retirement benefits under section 353D.07, other than on account of death, that are derived from ambulance service personnel incentive allocations under section 8. These 60 months must be accumulated within 120 months of the first month of service credit earned after the date on which the person elects to participate in the plan. No minimum period of service is required for vesting of benefits under section 353D.07, on account of death, that are derived from ambulance service personnel incentive allocations under section 8, once the person has elected to participate in the plan. Upon completion of 60 months of service under the plan with one or more participating ambulance services, a participant terminating active service is entitled to receive the value of the participant's individual account as provided in section 353D.07.

(b) Amounts derived from ambulance service personnel incentive allocations under section 8 that are credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after the date on which the person elects to participate in the plan, if the person does not have 60 months of service credit at that time. Funds forfeited must be added to the emergency medical services personnel account for the subsequent January 1 allocation under section 8.

Sec. 11. Minnesota Statutes 1990, section 353D.06, is amended to read:

**353D.06 [REPORTING.]**

The executive director of the public employees retirement association shall prescribe the reporting forms required from employing units and the election forms required from participants. Reporting forms must contain names, identification numbers, amount of contribution by and on behalf of each participant, and such other data as is required to keep an accurate record of the account value of each participant and to determine eligibility for aid allocations of ambulance service personnel incentive amounts under chapter 353D.

*In the event an ambulance service fails to provide required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue, its members forfeit the service units credited and its members are not entitled to the ambulance service personnel incentive amount allocated for that year.*

**Sec. 12. [353D.091] [FEDERAL REQUIREMENTS.]**

*Subdivision 1. [PLAN TAX QUALIFICATION AND STATUS.] The public employees retirement association may seek a determination from the Internal Revenue Service regarding the tax qualification status of the incentive program and from the United States Department of Labor regarding whether the incentive program must comply with federal Employee Retirement Income Security Act (ERISA) requirements.*

*Subd. 2. [REPORT TO LEGISLATURE.] The executive director shall immediately report the results of each determination to the chairs of the senate governmental operations committee, house of representatives governmental operations committee, and legislative commission on pensions and retirement.*

*Subd. 3. [IMPLEMENTATION DELAY.] The association shall not credit*

*participants with service units nor transfer money from the emergency medical services personnel account under section 8, subdivision 1, into individual accounts unless written notification is received from:*

*(1) the Internal Revenue Service that implementation of the incentive program does not jeopardize the tax-exempt status of the defined contribution plan or a public pension plan under section 356.30, subdivision 3; and*

*(2) the United States Department of Labor that the incentive program need not comply with federal ERISA requirements, including any requirements for tax-deferred treatment of contributions and interest earned on contributions.*

*Subd. 4. [RULES AND POLICIES.] If the incentive program receives favorable determinations from both the Internal Revenue Service and the United States Department of Labor, the association shall adopt rules or policies in accordance with the restrictions and standards of the Internal Revenue Code and rules and regulations of the Internal Revenue Service.*

Sec. 13. [EFFECTIVE DATE.]

*If the requirements under section 12 are met by June 1992, sections 1 to 7 and 11 are effective July 1, 1992, and section 8 is effective January 1, 1993. If not, sections 1 to 12 are inoperative."*

Delete the title and insert:

"A bill for an act relating to retirement; imposing an additional fee on classified drivers licenses; establishing the emergency medical services personnel account; establishing an incentive plan for ambulance service personnel; setting plan requirements; amending Minnesota Statutes 1990, sections 171.06, by adding a subdivision; 353D.01, subdivision 2, and by adding subdivisions; 353D.02; 353D.03; 353D.05; and 353D.06; proposing coding for new law in Minnesota Statutes, chapter 353D."

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. 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.

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

Page 1, line 8, after "worker" insert "involved in a fatal accident"

Page 1, delete section 2

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

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

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

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.

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. 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.

Reports the 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, are 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 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 uses 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 are nonpublic data as defined in section 13.02, subdivision 9.*

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 1 and 3 to 8 are 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

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.

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

Page 3, line 13, delete "*The*" and insert "*An*"

Page 3, line 14, delete "*shall*" and insert "*may*"

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. [353A.081] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION POLICE AND FIRE CONSOLIDATION ACCOUNT COVERAGE ELECTION AUTHORITY.]

*Subdivision 1. [ENTITLEMENT.] In addition to coverage selection periods in Minnesota Statutes, section 353A.08, subdivisions 3 and 4, the surviving spouse of a member of a public employee retirement association consolidation account who is killed in the line of duty is eligible to make an election of coverage indicated in subdivision 2. If there is no surviving spouse, the legal guardian of the oldest dependent child under the age of 18 is eligible to make an election of coverage under subdivision 2. If there are no surviving dependent children under age 18, then the oldest dependent child who is age 18 to 23 and who is enrolled full time in an accredited post-secondary educational institution is eligible to make the election. A refund may be paid to a designated beneficiary only if:*

(1) there are no survivors entitled to benefits under this subdivision; or  
(2) the surviving spouse and dependent children, who are between age 18 to 23, permanently waive their rights to benefits in writing and the benefits of dependent children under 18 are waived under a district court order.

*Subd. 2. [ELECTION OF COVERAGE.] Individuals eligible under subdivision 1 may elect, on a form prescribed by the executive director of the public employees retirement association, to have survivor benefits calculated under the relevant provisions of the public employees police and fire fund benefit plan or to have survivor benefits calculated under the relief association benefit plan. The relevant provisions of the public employee police and fire fund benefit plan for the person electing that benefit coverage are the relevant provisions of the public employee police and fire fund benefit plan applicable to survivor benefits, including participation in the Minnesota postretirement investment fund.*

*If the election results in an increased benefit amount to the surviving spouse eligible under subdivision 1, or to eligible children if there is no surviving spouse, the increased benefit accrues as of the date on which the survivor benefits payable to the survivors from the consolidation account were first paid. The back payment of any increase in prior benefit amounts, plus any postretirement adjustments payable under Minnesota Statutes, section 356.41, or any increase payable under the local relief association bylaws is payable as soon as practicable after the effective date of the election.*

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective January 1, 1990."*

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. 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.

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

Page 7, line 7, delete "\$50,000" and insert "\$25,000"

Page 16, line 5, delete "clause (3)" and insert "paragraph (c)"

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. 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 3, line 21, delete "*May*" and insert "*August*"

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. 1105 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.
1105	973				

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. 1396 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.
1396	1040				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1418 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.
1418	1211				

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. 983 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.
983	943				

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. 1549 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.
1549	1414				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1549 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1549 and insert the language after the enacting clause of S.F. No. 1414; further, delete the title of H.F. No. 1549 and insert the title of S.F. No. 1414.

And when so amended H.F. No. 1549 will be identical to S.F. No. 1414, and further recommends that H.F. No. 1549 be given its second reading and substituted for S.F. No. 1414, 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. 1282 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.
1282	1126				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1282 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1282 and insert the language after the enacting clause of S.F. No. 1126; further, delete the title of H.F. No. 1282 and insert the title of S.F. No. 1126.

And when so amended H.F. No. 1282 will be identical to S.F. No. 1126, and further recommends that H.F. No. 1282 be given its second reading and substituted for S.F. No. 1126, 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. 1432, 1166, 1425, 853, 1474 and 764 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 932, 696, 815, 71, 870, 1105, 1396, 1418, 983, 1549 and 1282 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Cohen moved that the name of Ms. Johnston be added as a co-author to S.F. No. 809. The motion prevailed.

Ms. Ranum moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1493. The motion prevailed.

Mr. Frederickson, D.J. moved that S.F. No. 112 be withdrawn from the Committee on Finance and re-referred to the Committee on Transportation. The motion prevailed.

Mr. Spear moved that S.F. No. 90, No. 1 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Berg moved that his name be stricken as chief author, and the name of Mr. Merriam be added as chief author to S.F. No. 1333. The motion prevailed.

Mr. Metzen moved that S.F. No. 1198, No. 154 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

## CALENDAR

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	McGowan	Price
Beckman	Day	Johnson, D.J.	Mehrkens	Ranum
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Dicklich	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Moe, R.D.	Sams
Berg	Flynn	Knaak	Mondale	Solon
Berglin	Frank	Kroening	Morse	Spear
Bernhagen	Frederickson, D.J.	Laidig	Neuville	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. 420: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Cass county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Price
Beckman	Day	Johnson, D.J.	Mehrkens	Ranum
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Dicklich	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Moe, R. D.	Sams
Berg	Flynn	Knaak	Mondale	Solon
Berglin	Frank	Kroening	Morse	Spear
Bernhagen	Frederickson, D.J.	Laidig	Neuville	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. 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.

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

So the bill passed and its title was agreed to.

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 for certain extensions of the permits; amending Minnesota Statutes 1990, section 90.121.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Price
Beckman	Day	Johnson, D.J.	Mehrkens	Ranum
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Dicklich	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Moe, R.D.	Sams
Berg	Flynn	Knaak	Mondale	Solon
Berglin	Frank	Kroening	Morse	Spear
Bernhagen	Frederickson, D.J.	Laidig	Neuville	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. 373: 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.

Was read the third time 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.	McGowan	Price
Beckman	Day	Johnson, D.J.	Mehrkens	Ranum
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Dicklich	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Moe, R.D.	Sams
Berg	Flynn	Knaak	Mondale	Solon
Berglin	Frank	Kroening	Morse	Spear
Bernhagen	Frederickson, D.J.	Laidig	Neuville	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.

H.F. No. 230: A bill for an act relating to education; permitting a referendum on combining certain school districts before formal cooperation begins.

Was read the third time 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.	McGowan	Price
Beckman	Day	Johnson, D.J.	Mehrkens	Ranum
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Dicklich	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Moe, R.D.	Sams
Berg	Flynn	Knaak	Mondale	Solon
Berglin	Frank	Kroening	Morse	Spear
Bernhagen	Frederickson, D.J.	Laidig	Neuville	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.

### 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. 397, 543, 635 and H.F. Nos. 246, 614, 132, 526, 324, which the committee recommends to pass.

S.F. No. 582, which the committee reports progress, after the following motions:

Mr. Belanger moved to amend S.F. No. 582 as follows:

Page 1, line 14, delete "*municipality*" and insert "*city of the first class*"

Page 1, line 16, delete "*municipality*" and insert "*city*"

Amend the title as follows:

Page 1, line 2, delete "*municipalities*" and insert "*cities of the first class*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Pariseau
Beckman	Day	Johnson, D.E.	McGowan	Reichgott
Belanger	Finn	Johnston	Mehrkens	Renneke
Benson, D.D.	Frank	Knaak	Merriam	Traub
Benson, J.E.	Frederickson, D.R.	Larson	Neuville	Waldorf
Cohen	Halberg	Luther	Olson	

Those who voted in the negative were:

Berg	DeCramer	Kroening	Novak	Riveness
Berglin	Dicklich	Lessard	Pappas	Samuelson
Bertram	Flynn	Metzen	Piper	Solon
Brataas	Frederickson, D.J.	Moe, R.D.	Pogemiller	Spear
Chmielewski	Hottinger	Mondale	Price	Stumpf
Davis	Johnson, J.B.	Morse	Ranum	Vickerman

The motion did not prevail. So the amendment was not adopted.

Mr. Moe, R.D. moved to amend S.F. No. 582 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [AUTHORIZATION TO EXTEND CLOSING HOURS.]

*Notwithstanding Minnesota Statutes, section 340A.504, subdivision 2, a municipality located in the metropolitan area as defined in section 473.121, subdivision 2, may extend the closing hours stated in Minnesota Statutes, section 340A.504, subdivision 2, clauses (1) and (2), to 2:30 a.m., subject to any restrictions or regulations the municipality may impose.*

Sec. 2. [AUTHORIZATION TO EXTEND CLOSING HOURS.]

*Notwithstanding Minnesota Statutes, section 340A.504, subdivision 2, a municipality located in the metropolitan area as defined in section 473.121, subdivision 2, may extend the closing hours stated in Minnesota Statutes, section 340A.504, subdivision 2, clauses (1) and (2), to 2:30 a.m., subject*

to any restrictions or regulations the municipality may impose.

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective January 17, 1992, and expires January 27, 1992. Section 2 is effective March 30, 1992, and expires April 7, 1992."*

Amend the title as follows:

Page 1, line 3, delete everything after "hours"

Page 1, line 4, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 42, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Finn	Johnson, J.B.	Mehrkens	Traub
Bertram	Frederickson, D.J.	Langseth	Merriam	Waldorf
Brataas	Frederickson, D.R.	Luther	Moe, R.D.	
Cohen	Hughes	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Reichgott	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Olson	Samuelson
Beckman	Dicklich	Laidig	Pappas	Solon
Belanger	Flynn	Larson	Pariseau	Spear
Benson, J.E.	Frank	Lessard	Pogemiller	Storm
Berglin	Halberg	Metzen	Price	Stumpf
Bernhagen	Hottinger	Mondale	Ranum	Vickerman
Chmielewski	Johnston	Morse	Renneke	
Davis	Kelly	Neuville	Riveness	
Day	Knaak	Novak	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 582 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [AUTHORIZATION TO EXTEND CLOSING HOURS.]

*Notwithstanding Minnesota Statutes, section 340A.504, subdivision 2, a municipality may extend the closing hours stated in Minnesota Statutes, section 340A.504, subdivision 2, clauses (1) and (2), to 2:30 a.m., subject to any restrictions or regulations the municipality may impose.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective January 20, 1992, and expires January 27, 1992."*

Amend the title as follows:

Page 1, line 3, delete everything after "hours"

Page 1, line 4, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 11 and nays 54, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Dahl	Hughes	Luther	Mehrkens
Bertram	Finn	Johnson, D.E.	McGowan	Merriam
Brataas				

Those who voted in the negative were:

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

The motion did not prevail. So the amendment was not adopted.

S.F. No. 582 was then progressed.

S.F. No. 804, which the committee reports progress, subject to the following motions:

Mr. Luther moved to amend S.F. No. 804 as follows:

Page 1, after line 5, insert:

“Section 1. [260.174] [CHILDREN IN CUSTODY; RESPONSIBILITY FOR MEDICAL CARE.]

*If a child is taken into custody as provided in section 260.165 and detained in a local juvenile secure detention facility or shelter care facility, or if a child is sentenced by the juvenile court to a local correctional facility as defined in section 241.021, subdivision 1, paragraph (5), the child's county of residence shall pay the costs of medical services provided to the child during the period of time the child is residing in the facility. The county of residence is not responsible for payment of medical bills to the extent that the child or the child's family has the ability to pay for the medical services. If there is a disagreement between the county and the child or the child's family concerning the ability to pay, the court with jurisdiction over the child shall determine the extent, if any, of the child's or the family's ability to pay for the medical services. If the child is covered by health or medical insurance or a health plan when medical services are provided, the county paying the costs of medical services has a right of subrogation to be reimbursed by the insurance carrier or health plan for all amounts spent by it for medical services to the child that are covered by the insurance policy or health plan.”*

Page 1, line 6, delete “Section 1” and insert “Sec. 2”

Page 1, line 23, delete “provide medical aid for” and insert “pay the costs of medical services provided to”

Page 2, lines 5 and 9, delete “aid” and insert “services”

Page 2, line 7, delete “aid is” and insert “services are” and delete “aid” and insert “services”

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “requiring prisoners to pay for medical services to the extent of their ability to pay; requiring the county of residence to pay for medical services to juveniles in custody; providing for reimbursement of the costs of medical services by health insurance or a health plan;”

Page 1, line 3, delete “provide” and insert “pay for” and delete “aid” and insert “services”



Page 1, line 4, after "641.15" insert "; proposing coding for new law in Minnesota Statutes, chapter 260"

Mr. Samuelson moved to amend the Luther amendment to S.F. No. 804 as follows:

Page 2, line 1, after the period, insert "*The county does not have a right of subrogation against the medical assistance program, the children's health plan, or the general assistance medical care program.*"

Page 2, after line 7, insert:

"Page 2, line 10, after the period, insert "*The county does not have a right of subrogation against the medical assistance program or the general assistance medical care program.*""

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Luther amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 804 was then progressed.

H.F. No. 244, which the committee reports progress, subject to the following motions:

Mr. Luther moved to amend H.F. No. 244, as amended pursuant to Rule 49, adopted by the Senate April 23, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 354.)

Page 6, line 8, delete "AFTER CHILDREN UNLOADED" and before "When" insert "*When the driver or a school bus patrol does not supervise children crossing a roadway before getting on a school bus, the driver shall visually determine that all children have crossed the roadway and boarded the bus before moving the bus.*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 244, as amended pursuant to Rule 49, adopted by the Senate April 23, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 354.)

Page 1, lines 18 to 20, delete the new language

The motion prevailed. So the amendment was adopted.

H.F. No. 244 was then progressed.

H.F. No. 41, which the committee recommends to pass subject to the following motion:

Mr. Dicklich moved that the amendment made to H.F. No. 41 by the Committee on Rules and Administration in the report adopted April 11, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 910, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Amend S.F. No. 910 as follows:

Page 7, line 12, delete "*an automatic*" and insert "*a*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1422, which the committee recommends to pass with the following amendments offered by Messrs. Chmielewski, Stumpf and Frank:

Mr. Chmielewski moved to amend H.F. No. 1422, as amended pursuant to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 2, line 4, after "*computation*" insert "*where the wage is irregular or difficult to determine or the employment part-time*"

Page 2, line 5, after "*vacation pay*" insert "*actually received*" and after "*the*" insert "*corresponding*"

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioners of human services and corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the commissioner of human services or corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a county welfare board. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

*(12) a voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;*

~~(12)~~ (13) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

~~(13)~~ (14) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

~~(14)~~ (15) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota state academy for the deaf or the Minnesota state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

~~(15)~~ (16) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) (17) a worker who renders in-home attendant care services to a

physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

~~(17)~~ (18) students enrolled in and regularly attending the medical school of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

~~(18)~~ (19) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

~~(19)~~ (20) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

~~(20)~~ (21) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

~~(21)~~ (22) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

~~(22)~~ (23) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable."

Page 3, line 25, after "computation" insert "where the employee works less than five days per week or irregularly" and after "vacation pay" insert "actually received" and after "the" insert "corresponding"

Renumber the sections of article 1 in sequence and correct the internal references

Page 14, lines 33 to 36, delete the new language and insert "A plan that is not completed within six months or after \$5,000 has been paid in rehabilitation benefits shall be specifically monitored by the commissioner. The commissioner shall review the progress of the plan and may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan."

Page 15, delete line 1

Page 15, line 36, after "nursing," insert "foreign language translation services,"

Page 16, delete line 36

Page 17, delete lines 1 and 2

Page 17, line 3, delete "(f)" and insert "(e)"

Page 21, after line 22, insert:

"Subd. 5. [EMPLOYEE OPTION.] An employee may not be compelled to receive managed care under this section. An employee may receive service from a certified health care provider of the employee's own choosing. The compensability of medical services under this chapter is not affected by the decision of an employee to not use managed care under this section."

Page 21, line 23, delete "5" and insert "6"

Page 24, after line 26, insert:

"Sec. 16. Minnesota Statutes 1990, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. *The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the employee's residence.* The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or

considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291."

Renumber the sections of article 2 in sequence and correct the internal references

Page 31, line 15, after the period, insert "*If appropriations from the general fund are not sufficient to meet that cost, an appropriation from the special compensation fund may be made to cover the insufficiency.*"

Amend the title accordingly

Mrs. Brataas moved to amend the Chmielewski amendment to H.F. No. 1422 as follows:

Page 6, delete lines 1 to 11

The question was taken on the adoption of the Brataas amendment to the Chmielewski amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Beckman	Bernhagen	Gustafson	Langseth	Pariseau
Belanger	Bertram	Halberg	Larson	Renneke
Benson, D.D.	Brataas	Johnson, D.E.	McGowan	Storm
Benson, J.E.	Day	Johnston	Mehrkens	Stumpf
Berg	Frederickson, D.R.	Knaak	Olson	Vickerman

Those who voted in the negative were:

Adkins	Finn	Kelly	Mondale	Reichgott
Berglin	Flynn	Kroening	Morse	Riveness
Chmielewski	Frank	Lessard	Neuville	Sams
Cohen	Frederickson, D.J.	Luther	Novak	Samuelson
Dahl	Hottinger	Marty	Pappas	Solon
Davis	Hughes	Merriam	Pogemiller	Spear
DeCramer	Johnson, D.J.	Metzen	Price	Traub
Dicklich	Johnson, J.B.	Moe, R.D.	Ranum	Waldorf

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Chmielewski amendment. The motion prevailed. So the amendment was adopted.

Mr. Gustafson moved to amend H.F. No. 1422, as amended pursuant to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Delete everything after the enacting clause and insert:

“ARTICLE 1

SCOPE OF COVERAGE/LIABILITY

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] “Family farm” means any farm operation which (1) pays or is obligated to pay less than ~~\$8,000~~ \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to \$300,000 and \$5,000, respectively, under a farm liability insurance policy. For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 1990, section 176.041, subdivision 1a, is amended to read:

Subd. 1a. [ELECTION OF COVERAGE.] The persons, partnerships and corporations described in this subdivision may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c), may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation that receives the services of a voluntary uncompensated worker who is not required to be covered under this chapter may elect to provide coverage for that worker.

(f) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor. A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage, the name of the independent contractors, and the fee and how it is calculated.

The persons, partnerships, and corporations described in this subdivision may also elect coverage for an employee who is a spouse, parent, or child, regardless of age, of an owner, partner, or executive officer, who is eligible

for coverage under this subdivision. Coverage may be elected for a spouse, parent, or child whether or not coverage is elected for the related owner, partner, or executive director and whether or not the person, partnership, or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this subdivision shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this subdivision shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this subdivision. An election of coverage under this subdivision shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this subdivision shall be construed to limit the responsibilities of owners, partnerships, or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 3. Minnesota Statutes 1990, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding ~~50~~ 60 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 4. Minnesota Statutes 1990, section 176.215, is amended by adding a subdivision to read:

*Subd. 1a. [EXCLUSIVE REMEDY.] The liability of a general contractor, intermediate contractor, or subcontractor who pays compensation pursuant to subdivision 1, to an injured individual who is not an employee of the general contractor, intermediate contractor, or subcontractor is exclusive and in the place of any other liability to the individual, the individual's personal representative, surviving spouse, parent, any child, dependent, next of kin, or other person entitled to recover damages on account of the individual's injury or death.*

Sec. 5. [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1992. Sections 2 to 4 are effective the day following final enactment.*



ARTICLE 2  
COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage. *Holiday pay and vacation pay shall not be included in the calculation of daily wage.*

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. *Holiday pay and vacation pay shall not be included in the calculation of weekly wage.* The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall

not exceed ~~66 2/3~~ 80 percent of the product of the daily wage times the number of days normally worked employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 1990, section 176.011, is amended by adding a subdivision to read:

*Subd. 18a. [AFTER-TAX WEEKLY WAGE.] "After-tax weekly wage" means the weekly wage reduced by the amounts required to be withheld by the Federal Insurance Contributions Act, United States Code, title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents and without additional allowances. The after-tax weekly wage must be determined as of the date of injury, and changes in dependents after that date may not be considered.*

Sec. 4. Minnesota Statutes 1990, section 176.021, subdivision 3, is amended to read:

**Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.]** All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101, *subdivision 3*. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of economic recovery compensation or lump sum or periodic payment of impairment permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of

~~economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.~~

~~The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee or in the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained, provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.~~

~~Disability ratings for permanent partial disability shall be based on objective medical evidence. The right is not abrogated by the employee's death prior to the making of the payment.~~

Sec. 5. Minnesota Statutes 1990, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an injury producing temporary total disability, the compensation is ~~66-2/3~~ 80 percent of the after-tax weekly wage at the time of injury.

(1) ~~provided that~~ (b) During the year commencing on October 1, 1979 1991, and each year thereafter, commencing on October 1, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) (c) The minimum weekly compensation ~~benefits for temporary total disability shall be not less than 50 payable is~~ 20 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent~~

of the statewide average weekly wage:

~~Subject to subdivisions 3a to 3u this~~ (d) Temporary total compensation shall be paid during the period of disability, ~~payment to be made at the intervals when the wage was payable, as nearly as may be, and shall cease whenever any one of the following occurs:~~

- (1) the disability ends;
- (2) the employee returns to work;
- (3) the employee retires by withdrawing from the labor market;
- (4) the employee fails to diligently search for appropriate work;

(5) the employee refuses an offer of work that is consistent with a plan of rehabilitation filed with the commissioner which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, the employee refuses an offer of work that the employee can do in the employee's physical condition; or

(6) 90 days pass after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b).

(e) For purposes of this subdivision, the 90-day period after maximum medical improvement commences on the earlier of:

(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or

(2) the date that the employer or insurer serves the report on the employee and the employee's attorney, if any, and files a copy with the division.

(f) Once temporary total disability compensation has ceased under paragraph (d), clause (1), (2), (3), or (4), it may be recommenced prior to 90 days after maximum medical improvement only as follows:

(1) if temporary total disability compensation ceased under paragraph (d), clause (1), it may be recommenced if the employee again becomes disabled as a result of the work-related injury;

(2) if temporary total disability compensation ceased under paragraph (d), clause (2), it may be recommenced if the employee is laid off or terminated for reasons other than misconduct or is medically unable to continue at the job;

(3) if temporary total disability compensation ceased under paragraph (d), clause (3), but the employee subsequently returned to work, it may be recommenced in accordance with paragraph (f), clause (2); or

(4) if temporary total disability compensation ceased under paragraph (d), clause (4), it may be recommenced if the employee begins diligently searching for appropriate work. Temporary total disability compensation recommenced under this paragraph is subject to cessation under paragraph (d).

Recommenced temporary total disability compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once temporary total disability compensation has ceased under paragraph (d), clauses (5) and (6), it may not be recommenced at a later date

*except as provided under section 176.102, subdivision 11, paragraph (b).*

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition.~~ 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition.

(b) ~~This Temporary partial compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage when the employee is working, earning less than the employee's weekly wage at the time of the injury, and the reduction in the wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 156 weeks, including weeks in which the employee has no wage loss, or after 350 weeks after the date of injury, whichever occurs first.~~

(c) *Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 300 percent of the statewide average weekly wage.*

Sec. 8. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) *Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:*

Percent of Disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000

91-95	360,000
96-100	400,000

*An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.*

*(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work, provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period. Permanent partial disability is not payable while temporary total compensation is being paid. Permanent partial disability is payable to permanently totally disabled employees in a lump sum at the time the disability can be ascertained.*

Sec. 9. Minnesota Statutes 1990, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a ~~maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation rates for a temporary total disability.~~ This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. *Permanent total disability payments shall cease at retirement.* Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 10. Minnesota Statutes 1990, section 176.101, subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY DEFINITION.] *(a) For purposes of subdivision 4, permanent total disability means only:*

*(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or*

(2) any other injury which totally and permanently incapacitates the employee from working at an occupation which brings the employee an income constitutes total disability.

(b) For purposes of paragraph (a), clause (2), "totally and permanently incapacitated" means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.

Sec. 11. Minnesota Statutes 1990, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for temporary total, temporary partial, a permanent total disability or economic recovery compensation shall be 105 percent of the statewide average weekly wage.

Sec. 12. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

Subd. 9. [MOVING EXPENSES.] An injured employee who has reached maximum medical improvement and who is unable to find suitable gainful employment consistent with the individual's physical disability, in combination with the individual's age, education and training, and experience, due to local labor market conditions is eligible to receive up to \$5,000 for moving expenses, provided:

(1) 90 days have passed after the individual has reached maximum medical improvement;

(2) the individual has actually moved in order to take a new job which constitutes suitable gainful employment; and

(3) the new job is located at a distance greater than 35 miles from the individual's current residence.

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) If the employee is not working during a retraining plan that has been specifically approved under this section, temporary total compensation is

*payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (5). If the employee is working during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 80 percent of the difference between the employee's after-tax weekly wage at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to either the 156-week or the 350-week limitation provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.*

*(c) Retraining may not be approved if the employee has refused suitable gainful employment, as defined by rule.*

Sec. 14. Minnesota Statutes 1990, section 176.105, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE; RULES.] *(a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence. The commissioner, in consultation with the medical services review board, shall periodically review the rules adopted under this paragraph to determine whether any injuries omitted from the schedule should be compensable and amend the rules accordingly.*

*(b) No permanent partial disability compensation shall be payable except in accordance with the disability ratings established under this subdivision. The schedule may provide that minor impairments receive a zero rating.*

Sec. 15. Minnesota Statutes 1990, section 176.105, subdivision 4, is amended to read:

Subd. 4. [LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART.] *(a) For the purpose of establishing a disability schedule pursuant to clause (b), the legislature declares its intent that the commissioner establish a disability schedule which, assuming the same number and distribution of severity of injuries, the aggregate total of impairment compensation and economic recovery compensation benefits under section 176.101, subdivisions 3a to 3u be approximately equal to the total aggregate amount payable for permanent partial disabilities under section 176.101, subdivision 3, provided, however, that awards for specific injuries under the proposed schedule need not be the same as they were for the same injuries under the schedule pursuant to section 176.101, subdivision 3. The schedule shall be determined by sound actuarial evaluation and shall be based on the benefit level which exists on January 1, 1983.*

*(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.*

The rules shall promote objectivity and consistency in the evaluation of



permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Prior to adoption of rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;

(3) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(4) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in paragraphs (1) to (7) shall not be used in any individual or specific workers' compensation claim under this chapter but shall be used only in the adoption of rules pursuant to this section.

Nothing listed in paragraphs (1) to (7) shall be used to dispute or challenge a disability rating given to a part of the body so long as the whole schedule conforms with the expressed intent of clause (a).

(c) If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.  $A + B (1 - A)$  is equivalent to  $A + B - AB$ .

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 16. Minnesota Statutes 1990, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at ~~50~~ 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 17. Minnesota Statutes 1990, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child ~~60~~ 80 percent of the *daily after-tax weekly* wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse weekly benefits at a *the same rate which is 16-2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,* for a period of ten years, including adjustments as provided in section 176.645.

Sec. 18. Minnesota Statutes 1990, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66-2/3~~ 80 percent of the *daily after-tax weekly* wage at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at a *the same rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,* for a period of ten years, adjusted according to section 176.645.

Sec. 19. Minnesota Statutes 1990, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66-2/3~~ 80 percent of the ~~wages~~ *after-tax weekly wage*.

Sec. 20. Minnesota Statutes 1990, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee ~~leave~~ *leaves* no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on *the* deceased, there shall be paid to such

parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee ~~leave~~ leaves one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 21. Minnesota Statutes 1990, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 22. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 23. Minnesota Statutes 1990, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 24. Minnesota Statutes 1990, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed

100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 25. Minnesota Statutes 1990, section 176.131, subdivision 8, is amended to read:

Subd. 8. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment, except that physical impairment is limited to the following:

- (a) epilepsy,
- (b) diabetes,
- (c) hemophilia,
- (d) cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) partial or entire absence of thumb, finger, hand, foot, arm, or leg,
- (f) lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) residual disability from poliomyelitis,
- (h) cerebral palsy,
- (i) multiple sclerosis,
- (j) Parkinson's disease,
- (k) cerebral vascular accident,
- (l) chronic osteomyelitis,
- (m) muscular dystrophy,
- (n) thrombophlebitis,
- (o) brain tumors,
- (p) Pott's disease,
- (q) seizures,
- (r) cancer of the bone,

(s) leukemia,

(t) mental retardation or other related conditions,

(u) any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

(v) any other physical impairments of a permanent nature which the commissioner may by rule prescribe.

"Compensation" has the meaning defined in section 176.011.

"Employer" includes insurer.

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

"Mental retardation" means significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior that require supervision and protection for the person's welfare or the public welfare.

"Other related conditions" means severe chronic disabilities that are (i) attributable to cerebral palsy, epilepsy, autism, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (ii) likely to continue indefinitely; and (iii) result in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living.

Sec. 26. Minnesota Statutes 1990, section 176.131, is amended by adding a subdivision to read:

*Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.*

Sec. 27. Minnesota Statutes 1990, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, ~~except as provided by clause (b),~~ provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, and before October 1, 1987, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible

for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

*(c) An employee who has suffered a personal injury after October 1, 1987, and is permanently totally disabled as defined in section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.*

Sec. 28. Minnesota Statutes 1990, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section subdivision 1, paragraphs (a) and (b)~~, shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. *The supplementary benefit payable under subdivision 1, paragraph (c), shall be the difference between:*

*(1) the amount the employee receives on or after October 1, 1991, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are a result of the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivors insurance benefits; and*

*(2) 50 percent of the statewide average weekly wage, as computed annually.*

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient *under subdivision 1, paragraph (a) or (b)*, is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

(f) Notwithstanding any other provision in this subdivision to the contrary, if the ~~individual~~ *eligible recipient* does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provision of United States Code, title 42, section 424a(d), the calculation of supplementary benefits payable to the individual shall be as provided under this section in Minnesota Statutes ~~1988~~ 1990.

Sec. 29. Minnesota Statutes 1990, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer currently paying total disability benefits *under subdivision 1, paragraph (a) or (b), or currently paying permanent total disability benefits under subdivision 1, paragraph (c),* or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 30. [176.178] [FRAUD.]

*Any person who, with intent to defraud, receives workers' compensation benefits to which the person is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3.*

Sec. 31. Minnesota Statutes 1990, section 176.179, is amended to read:

**176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH RECOVERY OF OVERPAYMENTS.]**

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of ~~economic recovery or impairment permanent~~

*partial compensation shall not exceed 20 percent of the amount that would otherwise be payable.*

*Where the commissioner or compensation judge determines that the mistaken compensation was not received in good faith, the commissioner or compensation judge may order reimbursement of the compensation or order a credit for the compensation against any future monetary benefits from the same injury. The credit may be up to 100 percent of the amount of monetary benefits otherwise payable. For purposes of this section, a payment is not received in good faith if it is obtained through fraud, or if the employee knew or should have known that the compensation was paid under mistake of fact or law, and the employee has not refunded the mistaken compensation.*

A credit may not be applied against medical expenses due or payable.

Sec. 32. Minnesota Statutes 1990, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [~~MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT PERMANENT PARTIAL COMPENSATION.~~] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment permanent partial compensation~~ are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 33. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, ~~1977~~ 1991, or thereafter under this section shall exceed ~~six~~ four percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ four percent.

Sec. 34. Minnesota Statutes 1990, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ is deferred until the first anniversary of the date of the injury. *For injuries occurring on or after October 1, 1991, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 35. Minnesota Statutes 1990, section 176.66, subdivision 11, is



amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 36. Minnesota Statutes 1990, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which the individual is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of the individual's weekly benefit amount in the form of:

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision ~~3~~ 2; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under title II of the Social Security Act, as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.231, the individual shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that the individual is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

Sec. 37. Minnesota Statutes 1990, section 353.33, subdivision 5, is

amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be coordinated with any amounts received or receivable under workers' compensation law, such as temporary total, permanent total, temporary partial, or permanent partial, ~~or economic recovery compensation~~ benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabilitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 38. [176.90] [AFTER-TAX CALCULATION.]

*For purposes of sections 176.011, subdivisions 18 and 18a; 176.101, subdivisions 1, 2, 3, and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; and 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting the weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.*

Sec. 39. [REPEALER.]

*Minnesota Statutes 1990, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.111, subdivision 8a, are repealed.*

Sec. 40. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 14, paragraph (b), is retroactively effective to January 1, 1984.*

### ARTICLE 3

#### LEGAL, REHABILITATION, MEDICAL PROVIDERS/BENEFITS

Section 1. Minnesota Statutes 1990, section 175.007, is amended to read:

#### 175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; ~~five nonvoting members representing the general public; two persons who have received or are currently receiving workers' compensation benefits under chapter 176 and the chairs of the rehabilitation review panel and the medical services review board. The council may consult with any party it desires. The commissioner shall appoint as~~

*nonvoting members three representatives of insurers, one representative of medical doctors, one representative of hospitals, two legislators from the house of representatives, and two legislators from the senate. The commissioner shall be a nonvoting member and is the chairperson. The terms and removal of members shall be as provided in section 15.059. The council expires as provided in section 15.059, subdivision 5.*

Subd. 2. ~~The advisory council shall study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division.~~ *advise the department in carrying out the purposes of chapter 176. The council shall submit its recommendations with respect to amendments to chapter 176 to each regular session of the legislature and shall report its views upon any pending bill relating to chapter 176 to the proper legislative committee. At the request of the chairpersons of the senate and house of representatives committees that hear workers' compensation matters, the department shall schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under chapter 176.*

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 27, is amended to read:

Subd. 27. [ADMINISTRATIVE CONFERENCE.] An "administrative conference" is a meeting conducted by a commissioner's designee where parties can discuss on an expedited basis and in an informal setting their viewpoints concerning disputed issues arising under section ~~176.102, 176.103, 176.135, 176.136, or 176.239.~~ If the parties are unable to resolve the dispute, the commissioner's designee shall issue an administrative decision under ~~that section 176.106 or 176.239.~~

Sec. 3. Minnesota Statutes 1990, section 176.081, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL.] (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next ~~\$27,500~~ \$70,000 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause (b) paragraph (d).~~ *All fees must be calculated according to the formula under this subdivision or earned in hourly fees for representation at dispute resolution conferences under section 176.239. Hourly fees must be determined according to the criteria set forth under subdivision 5.*

*(b) Fees for legal services related to the same injury are cumulative and may not exceed \$15,000, except as provided under subdivision 2. No other attorney fees for any proceeding under this chapter are allowed.*

*(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees*

be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed *claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan.* Fees for administrative conferences under section 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) (d) An attorney who is claiming legal fees ~~under this section for representing an employee in a workers' compensation matter~~ shall file a statement of ~~attorney's attorney~~ fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, *shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested.* If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 4. Minnesota Statutes 1990, section 176.081, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and, the number of hours spent on the case, the basis for the request, and whether or not a hearing is requested.~~ The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 5. Minnesota Statutes 1990, section 176.081, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] ~~An employee who~~ *A party that* is dissatisfied with *its* attorney fees, may file an application for review by the workers' compensation court of appeals. ~~Such~~ *The* application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such~~ *the* application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise ~~the question of~~ the issue of the attorney fees at

any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 6. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

*(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 7. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. By March 1, 1993, the commissioner shall report to the legislature on the status of the commissioner's monitoring of rehabilitation services.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member, *and two three members each from who shall represent both employers, and insurers, rehabilitation, and medicine, one member representing chiropractors, and four one member representing medical doctors, three members representing labor, two members representing rehabilitation vendors, and five members representing qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 9. Minnesota Statutes 1990, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

~~The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.~~

Sec. 10. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

~~For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within 14 days after the~~

consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided in paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable, a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(g) In developing a rehabilitation plan consideration shall be given to

the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 11. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. *A plan that is not completed within six months or after \$3,000 has been paid in rehabilitation benefits must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 12. Minnesota Statutes 1990, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer, employer, or employee.

*(b) If a rehabilitation plan has not already been filed under subdivision 4, an employer shall report to the commissioner after 90 days and before 120 days from the date of the injury, as to what rehabilitation consultation and services have been provided to the injured employee or why rehabilitation consultation and services have not been provided.*

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel and custodial day care during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard



metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) Any other expense agreed to be paid.

*Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services shall be made until the charges are submitted on the prescribed form.*

Sec. 14. [176.107] [MEDICAL AND REHABILITATION DISPUTES.]

*Any dispute for benefits under section 176.102, 176.103, 176.135, or 176.136 may be referred to the mediation services section of the department for consideration. All health care providers, qualified rehabilitation consultants, intervenors or potential intervenors, or any other third parties who have or may have an interest in the resolution of the dispute must be notified of the proceeding and requested to be in attendance. Any agreement by the parties who attend the hearing or appear by telephone conference is binding on any other party who had notice and did not participate in the hearing.*

Sec. 15. Minnesota Statutes 1990, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, ~~chiropractic~~, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~This treatment shall include treatments necessary to physical rehabilitation.~~ *An employer may fulfill its obligation under this section by utilizing a certified managed care plan as provided in this chapter.*

*(b) The employer shall furnish reasonably required chiropractic treatment for a maximum of 30 days from the date the employee first seeks the treatment, or 15 chiropractic treatment visits, whichever occurs first. The employer shall furnish reasonably required physical therapy treatment for a maximum of 30 days from the date the employee first seeks the treatment. Chiropractic or physical therapy treatment is compensable thereafter only with the consent of the employer or insurer, or after a specific determination by the commissioner or a compensation judge, pursuant to paragraph (f), that treatment for an additional specified period of time is reasonably required. This paragraph is effective for treatment provided after July 1, 1992.*

*(c) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.*

*(d) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.*

*(e) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel*

chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to ~~do so~~ *provide the items required to be provided under this paragraph*, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7; ~~and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 476.081, subdivision 5.~~ *The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.*

~~(b) (f)~~ *Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and section 176.305 and to issue orders approving mediated settlements in accordance with section 176.107.*

Sec. 16. Minnesota Statutes 1990, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. [NONEMERGENCY SURGERY; SECOND SURGICAL OPINION.] The employer is required to furnish surgical treatment pursuant to subdivision 1 when the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. An employee may not be compelled to undergo surgery. If an employee desires a second opinion on the necessity of the surgery, the employer shall pay the costs of obtaining the second opinion. Except in cases of emergency surgery, the employer or insurer may require the employee to obtain a second opinion on the necessity of the surgery, at the expense of the employer, before the employee undergoes surgery. Failure to obtain a second surgical opinion, *if required by the employer or insurer*, shall not be reason for nonpayment of the charges for the surgery. ~~The employer is required to pay the reasonable value of the surgery,~~ unless the commissioner or compensation judge determines that the surgery is not reasonably required.

Sec. 17. Minnesota Statutes 1990, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed.

*Payment of compensation under this section shall be made by the employer and insurer on the date of the employee's last exposure to the hazard of the occupational disease. Reimbursement for medical benefits paid under this subdivision or subdivision 1a is allowed from the employer and insurer liable under section 176.66, subdivision 10, only in the case of disablement.*

Sec. 18. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which

is not denied, or deny all or a part of the charge ~~on the basis of excessiveness or nonecompensability, or specify the additional data needed,~~ with written notification to the employee and the provider- *explaining the basis for denial. All or part of a charge must be denied if any of the following conditions exist:*

- (1) the injury or condition is not compensable under this chapter;*
- (2) the charge or service is excessive under this section or section 176.136;*
- (3) the provider is not enrolled with or certified by the department in accordance with rules adopted under section 176.183;*
- (4) the charges are not submitted on the prescribed billing form; or*
- (5) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.*

*If payment is denied under clause (3), (4), or (5), the employer or insurer shall reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.*

Sec. 19. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges *on a billing form prescribed by the commissioner.* Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury; ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6.~~ Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by ~~emergency rules rule.~~

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 20. [176.1351] [MANAGED CARE.]

*Subdivision 1. [APPLICATION.] Any health care provider, health care providers, or business entities providing health care services may make written application to the commissioner to become certified to provide managed care to injured workers for injuries and diseases compensable under this chapter. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. Application for certification shall be made in the form and manner and shall set forth information regarding the proposed plan for providing services as the commissioner may prescribe. The information shall include, but not be limited to:*

- (a) a list of the names of all health care providers who will provide services under the managed care plan, together with appropriate evidence of compliance with any licensing or certification requirements for those*

*providers to practice in this state;*

*(b) a description of the places and manner of providing services under the plan;*

*(c) a description of the places and manner of providing other related optional services the applicants wish to provide; and*

*(d) satisfactory evidence of ability to comply with any financial requirements to ensure delivery of service in accordance with the plan which the commissioner may prescribe.*

*Subd. 2. [CERTIFICATION.] The commissioner shall certify a health care provider, health care providers, or business entities providing health care services to provide managed care under a plan if the commissioner finds that the plan:*

*(a) proposes to provide services that meet quality, continuity, and other treatment standards prescribed by the commissioner and will provide all medical and health care services that may be required by this chapter in a manner that is timely, effective, and convenient for the worker;*

*(b) provides appropriate financial incentives to reduce service costs and utilization without sacrificing the quality of service;*

*(c) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate or not medically necessary treatment, to exclude from participation in the plan those individuals who violate these treatment standards, and to provide for the resolution of such medical disputes as the commissioner considers appropriate;*

*(d) provides a program for early return to work for injured workers involving, where appropriate, cooperative efforts by the workers, the employer, and the managed care organizations to promote workplace health and safety consultative and other services;*

*(e) provides a timely and accurate method of reporting to the commissioner necessary information regarding medical and health care service cost and utilization to enable the commissioner to determine the effectiveness of the plan;*

*(f) authorizes workers to receive compensable medical treatment from a health care provider who is not a member of the managed care organization, but who maintains the worker's medical records and with whom the worker has a documented history of treatment, if that health care provider agrees to refer the worker to the managed care organization for any specialized treatment, including physical therapy, to be furnished by another provider that the worker may require and if that health care provider agrees to comply with all the rules, terms, and conditions regarding services performed by the managed care organization. Nothing in this paragraph is intended to limit the worker's right to change health care providers prior to the filing of a workers' compensation claim; and*

*(g) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.*

*Subd. 3. [REVOCAION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of any health care provider or group of medical service providers to provide managed care if the commissioner finds that the plan*

for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.

*Subd. 4. [REVIEW.] (a) Utilization review, quality assurance, and peer review activities pursuant to this section and authorization of medical services to be provided by other than an attending physician pursuant to this chapter shall be subject to review by the commissioner or the commissioner's designated representatives. Data generated by or received in connection with these activities, including written reports, notes or records of any such activities, or of the commissioner's review shall be confidential, and shall not be disclosed except as considered necessary by the commissioner in the administration of this section. The commissioner may report professional misconduct to an appropriate licensing board.*

*(b) No data generated by utilization review, quality assurance, or peer review activities pursuant to this section or the commissioner's review thereof shall be used in any action, suit, or proceeding except to the extent considered necessary by the commissioner in the administration of this chapter.*

*(c) A person participating in utilization review, quality assurance, or peer review activities pursuant to this section shall not be examined as to any communication made in the course of such activities or the findings thereof, nor shall any person be subject to an action for civil damages for affirmative actions taken or statements made in good faith.*

*(d) No person who participates in forming managed care plans, collectively negotiating fees, or otherwise solicits or enters into contracts in a good faith effort to provide medical or health care services according to the provisions of this section shall be examined or subject to administrative or civil liability regarding any such participation except pursuant to the commissioner's active supervision of such activities and the managed care organization. Before engaging in such activities, the person shall provide notice of intent to the commissioner on a prescribed form.*

*(e) The provisions of this section shall not affect the confidentiality or admission in evidence of a claimant's medical treatment records.*

*Subd. 5. [RULES.] The commissioner in cooperation with the commissioners of the department of health, department of commerce, and department of human services, shall adopt such rules as may be necessary to carry out the provisions of this section.*

Sec. 21. Minnesota Statutes 1990, section 176.136, subdivision 1, is amended to read:

*Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.*

*(b) The procedures established by the commissioner shall must limit, in accordance with subdivisions 1a and 1b, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures*

established by the commissioner for determining whether or not the charge for a health service is excessive shall *must* be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall *must* incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 22. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1990, shall remain in effect until the commissioner adopts a new schedule by permanent rule, but shall remain in effect no later than June 1, 1993. The commissioner shall adopt permanent rules regulating fees, except fees limited by subdivision 1b, by implementing a relative value fee schedule to be effective on October 1, 1992, or as soon thereafter as possible. The conversion factors for the relative value fee schedule shall reasonably reflect a 15 percent overall reduction from 1991 charges, based on a sample of the most common services billed in the first six months of 1991 that is large enough to be statistically valid.*

*After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1, by the percentage change in the statewide average weekly wage as set forth in section 176.645, subdivision 1. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.*

Sec. 23. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a hospital or an outpatient at a same-day surgical facility or emergency room shall be limited to 85 percent of the amount charged.*

*(b) For the services rendered under paragraph (a) by a hospital with 100 or fewer licensed acute care beds, the liability of employers shall be the actual hospital charges.*

*(c) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or paragraph (a) shall be limited to the provider's actual charge, or the charges that prevail in the same community for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount.*

Sec. 24. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

*Subd. 2. [EXCESSIVE FEES.] If the employer or insurer determines that*

the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, compensation judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.

*A charge for a health service or medical service is excessive if it:*

*(1) exceeds the maximum permissible charge pursuant to subdivision 1 or section 176.135, subdivision 1a;*

*(2) is for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;*

*(3) is for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or*

*(4) is otherwise deemed excessive or inappropriate pursuant to rules adopted pursuant to this chapter.*

*Where the sole issue in dispute is whether medical fees are excessive, the only parties to the proceeding shall be the health care provider and employer or insurer. The rights of an employee shall not be affected by a determination under this subdivision.*

Sec. 25. Minnesota Statutes 1990, section 176.305, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS ON PETITIONS.] The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner shall, within ten days, refer the matter presented by the petition for a settlement conference under this section, for ~~an administrative~~ a mediation conference under section ~~176.106~~ 176.107, or for hearing to the office.

Sec. 26. Minnesota Statutes 1990, section 176.351, subdivision 2a, is amended to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative, mediation, or settlement conference, or hearing under section ~~176.106~~ 176.107 or 176.239, shall not be subpoenaed to testify regarding the conference, hearing, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

In addition, for a hearing with a compensation judge and with the consent of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.

Sec. 27. Minnesota Statutes 1990, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before the commissioner and shall provide a stenographer or an audio magnetic recording device to make the record of the proceedings.

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision. This subdivision does not apply to any administrative conference or other proceeding before the commissioner which may be heard de novo in another proceeding including but not limited to proceedings under section ~~176.106~~ 176.107 or 176.239.

Sec. 28. Minnesota Statutes 1990, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER.]

Except for a commissioner's decision which may be heard de novo in another proceeding including but not limited to a decision from an administrative conference under section ~~176.102, 176.103, 176.106,~~ 176.239, or a summary decision under section 176.305, any decision or determination of the commissioner affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 29. Minnesota Statutes 1990, section 176.82, is amended to read:

176.82 [ACTION FOR CIVIL DAMAGES FOR OBSTRUCTING EMPLOYEE SEEKING BENEFITS.]

*Subdivision 1.* [GENERALLY.] Any person discharging or threatening



to discharge an employee for seeking workers' compensation benefits or in any manner intentionally obstructing an employee seeking workers' compensation benefits is liable in a civil action for damages incurred by the employee including any diminution in workers' compensation benefits caused by a violation of this section including costs and reasonable attorney fees, and for punitive damages not to exceed three times the amount of any compensation benefit to which the employee is entitled. Damages awarded under this section shall not be offset by any workers' compensation benefits to which the employee is entitled.

*Subd. 2. [REFUSAL TO REHIRE.] Any employer who without reasonable cause refuses to rehire an employee who is injured in the course of employment, where suitable employment is available within the employee's physical and mental limitations, upon order of the department and in addition to other benefits, has exclusive liability to pay to the employee the wages lost during the period of the refusal, not exceeding six months wages or a maximum of \$15,000. In determining the availability of suitable employment, the continuance in business of the employer shall be considered and any written rules promulgated by the employer with respect to seniority or the provisions of any collective bargaining agreement with respect to seniority shall govern.*

Sec. 30. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing certifying body.

~~The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement~~

the procedures required by this clause-

Sec. 31. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

*Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this section and chapter 176.*

Sec. 32. Minnesota Statutes 1990, section 176.83, subdivision 6, is amended to read:

**Subd. 6. [CERTIFICATION OF MEDICAL PROVIDERS.]** Rules establishing procedures and standards for the certification or enrollment of physicians, chiropractors, osteopaths, podiatrists, and other health care providers, which may include hospitals and other business entities providing health care services, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter.

*After the rules for provider enrollment have been promulgated, a provider must be enrolled in accordance with the rules to receive payment for services rendered under section 176.135. An unenrolled provider may not receive payment or attempt to collect from any source, including the employee, any insurer or self-insured employer, the special compensation fund, or any government program. Retroactive enrollment must be permitted pursuant to guidelines established by rule. A list of currently enrolled providers must be given to all self-insured employers and insurers. The list must be made available to others upon request.*

Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, sections 176.106; 176.135, subdivision 3; and 176.136, subdivision 5, are repealed.*

Sec. 34. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 1 is effective January 1, 1992.*

## ARTICLE 4

### COURTS/JURISDICTION

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 7, is amended to read:

**Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.]** Salaries of judges of the workers' compensation court of appeals are the same as the salary for district judges as set under section 15A.082, subdivision 3. Salaries of compensation judges are 75 80 percent of the salary of district court judges. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry. *The assistant chief administrative law judge for workers' compensation at the office of administrative hearings shall be paid in conformity with the salary provisions of the managerial plan under section 43A.18, but the minimum salary shall be equal to the salary of a compensation judge.*

Sec. 2. Minnesota Statutes 1990, section 176.061, is amended by adding

a subdivision to read:

*Subd. 6a. [JURISDICTION.] Notwithstanding section 573.02 or any other law to the contrary, the commissioner or compensation judge has jurisdiction to order the distribution of proceeds in accordance with subdivision 6 in all cases except where the district court has awarded a specific amount in satisfaction of the employer's subrogation interest or has specifically denied the employer's subrogation interest.*

**Sec. 3. [176.2615] [SMALL CLAIMS COURT.]**

*Subdivision 1. [PURPOSE.] There is established in the department of labor and industry a small claims court, to be presided over by settlement judges for the purpose of settling small claims.*

*Subd. 2. [ELIGIBILITY.] The claim is eligible for determination in the small claims court if referred by the commissioner or if all parties agree to submit to its jurisdiction; and*

*(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or*

*(2) the claim in its total amount does not equal more than \$5,000; and*

*(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.*

*Subd. 3. [TESTIMONY; EXHIBITS.] At the hearing a settlement judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.*

*Subd. 4. [APPEARANCE OF PARTIES.] A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the settlement judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.*

*Subd. 5. [EVIDENCE ADMISSIBLE.] At the hearing the settlement judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the settlement judge may receive, in the judge's discretion, evidence not otherwise admissible. The settlement judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.*

*Subd. 6. [SETTLEMENT.] A settlement judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.*

*Subd. 7. [DETERMINATION.] If the parties do not agree to a settlement, the settlement judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a. Any determination by a settlement judge is not *res judicata* with respect to any other proceeding between or among the parties under this chapter, nor may it be considered as evidence in any other proceeding.*

*Subd. 8. [COSTS.] The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.*

**Sec. 4. Minnesota Statutes 1990, section 176.461, is amended to read:**

## 176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

*As used in this section, the phrase "for cause" is limited to the following grounds:*

*(1) a mutual mistake of fact that was not discoverable at the time of the award;*

*(2) newly discovered evidence that was not discoverable at the time of the award;*

*(3) fraud; or*

*(4) a substantial change in medical condition since the time of the award that was clearly not anticipated and could not reasonably have been anticipated at the time of the award.*

Sec. 5. Minnesota Statutes 1990, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals~~. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 6. Minnesota Statutes 1990, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45; ~~and;~~ the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; ~~and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.~~

Sec. 7. [TRANSFER OF JURISDICTION AND PERSONNEL.]

*The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 5, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the*

*increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.*

Sec. 8. [INCREASED JUDGES.]

*The number of judges on the court of appeals as of January 1, 1992, shall be increased by five.*

Sec. 9. [INSTRUCTION TO REVISOR.]

*In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."*

Sec. 10. [REAPPROPRIATION.]

*\$ . . . . . is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal years 1992 and 1993 due to the abolition of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.*

Sec. 11. [REPEALER.]

*Minnesota Statutes 1990, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.*

Sec. 12. [EFFECTIVE DATE.]

*This article is effective January 1, 1992; except that section 1 is effective July 1, 1991.*

## ARTICLE 5

### WORKERS' COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1990, section 79.095, is amended to read:

79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ *may* employ the services of a casualty ~~actuary~~ *actuaries* experienced in ~~worker's~~ *workers'* compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the an~~ *an* actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN; PARTICIPATION.] ~~(+) An assigned risk plan review board is created for the purposes of review of the operation of section 79.252 and this section. The state fund mutual insurance company and all insurers authorized to write workers' compensation and employers' liability insurance in this state shall participate in a plan providing for the equitable apportionment of insurance coverage to employers who have been rejected for insurance coverage by a licensed insurer in the manner set forth in section 79.252.~~

*Subd. 1a. [BOARD OF GOVERNORS.] (1) The operation of the assigned risk plan is subject to the supervision of the board of governors of the plan. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.*

(2) The board shall consist of six members to be appointed by the commissioner of commerce. ~~Three members shall be insureds holding policies or contracts~~ *One member shall be an insured holding a policy or contract of coverage issued pursuant to subdivision 4. Two* Five members shall be insurers pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). ~~The commissioner shall be the sixth member and shall vote.~~

Initial appointments ~~to the board~~ shall be made by ~~September~~ *January* 1, 1981 1992, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members ~~other than the commissioner~~ shall be as provided in section 15.059.

(3) The ~~assigned risk plan review~~ board shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.

(4) The ~~assigned risk plan review~~ board shall ~~monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections~~ *prepare a plan of operation for the assigned risk plan subject to the approval of the commissioner. The policy forms, rates, merit rating, rating plans, and classification and rating systems of the assigned risk plan shall be those filed for use by the Minnesota workers' compensation insurers rating association, and approved by the commissioner, subject to the requirements of this chapter.*

*The board shall meet quarterly, or more frequently if necessary, to review plan enrollment, plan administration, rate adequacy, loss ratios, and reserving practices. No later than June 30 of each year, the board shall file an annual report with the legislature and the workers' compensation insurers association. The report must be signed by each member of the board. The report must include an actuarial evaluation of the plan by a fellow of the casualty actuarial society who shall be retained and paid by the board.*

(5) ~~All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board. Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.~~

(6) The assigned risk plan and the ~~assigned risk plan review~~ board of ~~governors~~ shall not be deemed a state agency.

Sec. 3. Minnesota Statutes 1990, section 79.251, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] *The board of governors, subject to approval by the commissioner of commerce, shall develop an appropriate merit rating plan which shall be applicable to all nonexperience rated insureds holding policies or contracts of coverage issued pursuant to subdivision 4, and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall must provide a maximum merit credit or debit adjustment equal to ten percent of earned premium. The actual adjustment may vary with insured's loss experience.*

Sec. 4. Minnesota Statutes 1990, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] ~~Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. (a) The commissioner board of governors shall annually, not later than January 1 of each year, establish the file with the commissioner a schedule of rates applicable to for use in determining premiums charged employers in the assigned risk plan business at least 30 days prior to their effective date. Assigned risk premiums shall rates must not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.~~

*(b) The rates filed by the board shall be deemed to meet the requirements of this chapter unless disapproved by the commissioner within 30 days after the filing is made. In disapproving a filing made pursuant to this section, the commissioner shall have the same authority, and follow the same procedure, as in disapproving a filing pursuant to section 79.58.*

*(c) The board shall fix the compensation received by the agent of record. Agent compensation shall be established at a level that is neither an incentive nor a disincentive to place an employer in the assigned risk plan. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Sec. 5. Minnesota Statutes 1990, section 79.251, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] ~~The commissioner board of governors shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.~~

*Each insurer or self-insured administrator who performs services pursuant to this subdivision shall be required to report loss experience data to the Minnesota workers' compensation insurers association in accordance with the statistical plan and rules of the organization as approved by the commissioner, and shall keep a record of the premium and losses paid under each workers' compensation policy written in Minnesota in the form required by the commissioner.*

Sec. 6. Minnesota Statutes 1990, section 79.251, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENTS.] ~~The commissioner shall assess All insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), shall be assessed an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations annual report of the board of governors reveals a deficit in the plan. The assessment must be~~

*made within 30 days of the date the annual report of the board is filed. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.*

Sec. 7. Minnesota Statutes 1990, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a two nonaffiliated licensed insurance ~~company companies~~, pursuant to subdivision 2. *One of these two rejections must come from the insurance company that most recently provided workers' compensation coverage to the employer, unless the employer had no previous coverage. Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.*

Sec. 8. Minnesota Statutes 1990, section 79.252, subdivision 3, is amended to read:

Subd. 3. [COVERAGE.] (a) Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

*(b) Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The board of governors may apply for and obtain any licensure required in any other state to issue that coverage.*

Sec. 9. Minnesota Statutes 1990, section 79.252, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may adopt rules, including ~~emergency~~ temporary rules, as may be necessary to implement section 79.251 and this section.

Sec. 10. Minnesota Statutes 1990, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 11. Minnesota Statutes 1990, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] (a) *Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within*



90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected under it must be refunded. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4, 176.111, 176.132, and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

#### Sec. 12. [79.565] [PARTICIPATION.]

An employer, or person representing a group of employers, that will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 79.56, subdivision 5, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 13. Minnesota Statutes 1990, section 79.58, subdivision 2, is amended to read:

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing conducted pursuant to chapter 14, the commissioner finds that it is excessive, inadequate, or unfairly discriminatory. The rating plan is effective until disapproved. It is the responsibility of the data service organization to show that the rating plan is not excessive, inadequate, or unfairly discriminatory. Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 14. Minnesota Statutes 1990, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; ~~and~~

(h) Assess its members for operating expenses on a fair and equitable basis;

(i) *Separate the incurred but unreported losses of its members;*

(j) *Separate paid and outstanding losses of its members;*

(k) *Provide information indicating cases in which its members have established a reserve in excess of \$50,000;*

(l) *File information based solely on Minnesota data concerning its members' premium income, indemnity, and medical benefits paid.*

Sec. 15. [79.65] [DATA SERVICE ORGANIZATIONS; COVERAGE.]

*Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the department of commerce or labor and industry or other parties retained by the commissioner. An examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.*

*Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. If no order is issued, a sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.*

Sec. 16. [79.70] [INVESTIGATIONS AND SUBPOENAS.]

*Subdivision 1. [GENERAL POWERS.] In connection with the administration of this chapter, 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 this chapter or any rule or order under this chapter, or to aid in the enforcement of this chapter, or in the prescribing of rules or forms under this chapter;*

*(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 this chapter;*

*(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in this chapter to the legislature;*

*(5) examine the books, accounts, records, and files of every licensee under this chapter and of every person who is engaged in any activity regulated under this chapter; 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 this chapter to report all sales or transactions that are regulated under this chapter. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.*

*Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under this chapter, the commissioner or a designated representative may administer oaths and*

*affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.*

*Subd. 3. [COURT ORDERS.] In case of a refusal to appear or a refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person to appear before the commissioner, or the officer designated by the commissioner, to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.*

*Subd. 4. [SCOPE OF PRIVILEGE.] No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty or forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce documentary or other evidence except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.*

*Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] (a) Whenever it appears to the commissioner that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, or any rule or order adopted under this chapter, the commissioner has the powers indicated under paragraphs (b) and (c).*

*(b) 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 this chapter, or any rule or order adopted or issued under this chapter, 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.*

*(c) The commissioner may issue and serve an order requiring a person to cease and desist from violations of this chapter, or any rule or order adopted or issued under this chapter. The order must 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. 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 a 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 paragraph.*

*Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates this chapter, unless a different penalty is specified under this chapter.*

*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 this chapter, or censure that person if the commissioner finds that the order is in the public interest or the person has violated this chapter.*

*Subd. 8. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.*

**Sec. 17. [79.75] [ACCESS TO INSURER.]**

*The commissioner, or the designated person, shall have free access during normal business hours to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of any company, applicant, association, or person that may be examined pursuant to this chapter 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 including officers, directors, and agents, shall provide to the commissioner or the designated person convenient and free access at all reasonable hours at its office to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of the company or person. The officers, directors, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so.*

**Sec. 18.** Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:

*Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue the coverage.*

**Sec. 19.** Minnesota Statutes 1990, section 221.141, subdivision 1, is amended to read:

**Subdivision 1. [FINANCIAL RESPONSIBILITY OF CERTAIN CARRIERS.]** No motor carrier and no interstate carrier shall operate a vehicle until it has obtained and has in effect the minimum amount of financial responsibility required by this section. Policies of insurance, surety bonds, other types of security, and endorsements must be continuously in effect and must remain in effect until canceled. Before providing transportation, the motor carrier or interstate carrier shall secure and cause to be filed with the commissioner and maintain in full effect, *both* a certificate of insurance in a form required by the commissioner, evidencing public liability insurance in the amount prescribed, *and acceptable evidences of compliance with the workers' compensation insurance coverage requirements of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and the dates of coverage, or the permit to self-insure.* The insurance

must cover injuries and damage to persons or property resulting from the operation or use of motor vehicles, regardless of whether each vehicle is specifically described in the policy. This insurance does not apply to injuries or death to the employees of the motor carrier or to property being transported by the carrier. The commissioner shall require cargo insurance for certificated carriers, except those carrying passengers exclusively. The commissioner may require a permit carrier to file cargo insurance when the commissioner deems necessary to protect the users of the service.

**Sec. 20. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]**

*Notwithstanding Minnesota Statutes, section 79.56, subdivision 5, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1992 report required under Minnesota Statutes, section 79.60, is approved by the commissioner of commerce and six months thereafter.*

**Sec. 21. [MANDATED REDUCTIONS.]**

*(a) As a result of the workers' compensation law changes in articles 1 to 4 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on October 1, 1991, must be reduced by 17 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 17 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 17 percent premium reduction prorated to the expiration of that policy. An insurer shall provide a written notice by November 1, 1991, to all employers having an outstanding policy with the insurer as of October 1, 1991, that reads as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1991 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ . . . . . which reflects a 17 percent mandated premium reduction prorated to the expiration of your policy."*

*(b) No rate increases may be filed between April 1, 1991, and January 1, 1992.*

*(c) The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the legislature by March 1, 1992.*

**Sec. 22. [ADJUSTMENT.]**

*Within 60 days of final enactment of this legislation, the board shall determine whether any adjustment in the assigned risk rates in effect as of the date of enactment are required by this section.*

**Sec. 23. [REPEALER.]**

*Minnesota Statutes 1990, sections 79.54; 79.57; and 79.58, subdivision 1, are repealed.*

## Sec. 24. [EFFECTIVE DATE.]

*This article is effective January 1, 1992; except that section 21, paragraphs (a) and (c), are effective October 1, 1991; and section 21, paragraph (b), is effective the day following final enactment.*

Delete the title and insert:

"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."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Beckman	Brataas	Hottinger	McGowan	Sams
Belanger	Day	Johnson, D.E.	Mehrkins	Storm
Benson, D.D.	DeCramer	Johnston	Morse	Stumpf
Benson, J.E.	Frederickson, D.J.	Knaak	Neuville	Traub
Berg	Frederickson, D.R.	Laidig	Olson	Vickerman
Bernhagen	Gustafson	Langseth	Pariseau	
Bertram	Halberg	Larson	Renneke	

Those who voted in the negative were:

Adkins	Finn	Kroening	Mondale	Reichgott
Berglin	Flynn	Lessard	Novak	Riveness
Chmielewski	Frank	Luther	Pappas	Samuelson
Cohen	Hughes	Marty	Piper	Solon
Dahl	Johnson, D.J.	Merriam	Pogemiller	Spear
Davis	Johnson, J.B.	Metzen	Price	Waldorf
Dicklich	Kelly	Moe, R.D.	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1422, as amended pursuant

to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 31, delete section 2

Pages 31 and 32, delete sections 4 to 6 and insert:

“Sec. 3. [APPROPRIATION.]

*\$18,000,000 is appropriated from the general fund for the biennium ending June 30, 1993, to the commissioner of human services to fund preadmission screening and alternative care grant programs under Minnesota Statutes, chapters 256 and 256B.*

Sec. 4. [EFFECTIVE DATE.]

*Section 1 is effective October 1, 1991. Sections 2 and 3 are effective July 1, 1991.”*

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Halberg	Larson	Pariseau
Benson, D.D.	Davis	Johnson, D.E.	McGowan	Renneke
Benson, J.E.	Day	Johnston	Mehrkens	Storm
Bernhagen	Frederickson, D.R.	Knaak	Neuville	
Bertram	Gustafson	Laidig	Olson	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Novak	Samuelson
Beckman	Frank	Lessard	Pappas	Solon
Berg	Frederickson, D.J.	Luther	Piper	Spear
Chmielewski	Hottinger	Marty	Pogemiller	Stumpf
Cohen	Hughes	Merriam	Price	Traub
Dahl	Johnson, D.J.	Metzen	Ranum	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	Waldorf
Dicklich	Kelly	Mondale	Riveness	
Finn	Kroening	Morse	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend H.F. No. 1422, as amended pursuant to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 15, after line 30, insert:

“Sec. 8. Minnesota Statutes 1990, section 176.106, is amended by adding a subdivision to read:

*Subd. 10. [LOCATION OF CONFERENCE.] If personal attendance is required to fully determine issues, all conferences shall be held in the county of residence of the employee unless the issues do not relate to a dispute with the employee. In the discretion of the workers' compensation division a telephone conference may be ordered. No person other than a participant shall personally attend a telephone conference.”*



Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frank moved to amend H.F. No. 1422, as amended pursuant to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 39, after line 10, insert:

"ARTICLE 7  
SELF-INSURANCE

Section 1. Minnesota Statutes 1990, section 79A.02, subdivision 2, is amended to read:

Subd. 2. [ADVICE TO COMMISSIONER.] ~~At the request of the commissioner,~~ The committee shall ~~meet~~ review all new applications for self-insurance or group self-insurance, including each applicant's financial data, and shall advise the commissioner with respect to whether or not an applicant to become a private self-insurer in the state of Minnesota has met the statutory requirements to self-insure. The committee shall advise the commissioner if it has any information that any private self-insurer may become insolvent.

Sec. 2. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

*Subd. 3. [RECOMMENDATIONS TO COMMISSIONER REGARDING RENEWAL.] After five years from the date each individual and group self-insurer becomes certified to self-insure, the committee shall review all relevant financial data filed with the department of commerce and make a recommendation to the commissioner about whether each self-insurer's certificate should be revoked.*

Sec. 3. Minnesota Statutes 1990, section 79A.03, subdivision 3, is amended to read:

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. ~~The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses without endangering the financial stability of the company.~~

Sec. 4. Minnesota Statutes 1990, section 79A.03, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of an amount at least equal to the greater of ten times the retention selected with the workers' compensation reinsurance association or one-third of the current annual modified premium of the members. ~~The requirements of this paragraph shall be modified if the self-insurer can demonstrate that through excess insurance,~~

~~other than coverage provided by the workers' compensation reinsurance association; it can pay expected losses.~~

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this chapter. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Sec. 5. Minnesota Statutes 1990, section 79A.03, subdivision 9, is amended to read:

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within ~~four~~ six months after the end of the fiscal year for that group, annually file a statement showing the combined net worth of its members based upon an accounting review performed by

a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Sec. 6. Minnesota Statutes 1990, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society ~~every two years for nongroup member private self-insurers, and every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by a member of the casualty actuarial society every two years, and each such actuarial study shall include a projection of future losses during the two-year period until the next scheduled actuarial study, less payments anticipated to be made during that time.~~ Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

Sec. 7. Minnesota Statutes 1990, section 79A.06, subdivision 5, is amended to read:

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the ~~last full~~ calendar year of self-insurance on claims incurred during that year *immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.*

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

#### Sec. 8. [79A.071] [CUSTODIAL ACCOUNTS.]

*Subdivision 1. [DEPOSIT.] All securities shall be deposited with the state treasurer or in a custodial account with a depository institution acceptable to the state treasurer. Surety bonds shall be filed with the commissioner. The commissioner and the state treasurer may sell or collect, in the case of default of the employer or fund, the amount that yields sufficient funds*

*to pay compensation due under the workers' compensation act.*

*Subd. 2. [ASSIGNMENT.] Securities in physical form deposited with the state treasurer must bear the following assignment, which shall be signed by an officer, partner, or owner: "Assigned to the state of Minnesota for the benefit of injured employees of the self-insured employer under the Minnesota workers' compensation act." Any securities held in a custodial account, whether in physical form, book entry, or other form, need not bear the assignment language. The instrument or contract creating and governing any custodial account must contain the following assignment language: "This account is assigned to the state treasurer by the Company to pay compensation and perform the obligations of employers imposed under Minnesota Statutes, chapter 176. A depositor or other party has no right, title, or interest in the security deposited in the account until released by the state."*

*Subd. 3. [CUSTODY.] All securities in physical form on deposit with the state treasurer and surety bonds on deposit shall remain in the custody of the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act. All original instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act.*

*Subd. 4. [RELEASE.] No securities in physical form on deposit with the state treasurer or custodial accounts assigned to the state shall be released without an order from the commissioner.*

*Subd. 5. [EXCHANGING OR REPLACING.] Any securities deposited with the state treasurer or with a custodial account assigned to the state treasurer or surety bonds held by the commissioner may be exchanged or replaced by the depositor with other acceptable securities or surety bonds of like amount so long as the market value of the securities of amount of the surety bond equals or exceeds the amount of deposit required. If securities are replaced by a surety bond, the self-insurer must maintain securities on deposit in an amount sufficient to meet all outstanding workers' compensation liability arising during the period covered by the deposit of the replaced securities, subject to the limitations on maximum security deposits established in Minnesota Rules, parts 2780.2600 and 2780.2700.*

**Sec. 9. [REPEALER.]**

*Minnesota Rules, part 2780.0400, subparts 2, 3, 6, and 7, are repealed."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1422, as amended pursuant to Rule 49, adopted by the Senate April 24, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 31, delete section 2

Pages 31 and 32, delete sections 4 to 6 and insert:

"Sec. 3. [APPROPRIATION.]

*Subdivision 1. \$9,000,000 is appropriated from the general fund for the biennium ending June 30, 1993, to the commissioner of jobs and training*

for distribution to Head Start program providers.

*Subd. 2. \$9,000,000 is appropriated from the general fund for the biennium ending June 30, 1993, to the commissioner of health to fund the special supplemental food program for women, infants, and children (WIC) under Minnesota Statutes, section 145.894.*

Sec. 4. [EFFECTIVE DATE.]

*Section 1 is effective October 1, 1991. Sections 2 and 3 are effective July 1, 1991."*

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

Mr. Frank questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Benson, D.D. appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Committee?"

The roll was called, and there were yeas 43 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Sams
Berg	Flynn	Langseth	Novak	Samuelson
Berglin	Frank	Lessard	Pappas	Solon
Bertram	Frederickson, D.J.	Luther	Piper	Stumpf
Chmielewski	Hottinger	Marty	Pogemiller	Traub
Cohen	Hughes	Merriam	Price	Vickerman
Dahl	Johnson, D.J.	Metzen	Ranum	
Davis	Johnson, J.B.	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Brataas	Halberg	Laidig	Neuville
Benson, D.D.	Day	Johnson, D.E.	Larson	Pariseau
Benson, J.E.	Frederickson, D.R.	Johnston	McGowan	Renneke
Bernhagen	Gustafson	Knaak	Mehrkens	Storm

The decision of the Chair was sustained.

The question was taken on the recommendation to pass H.F. No. 1422.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Pappas	Solon
Beckman	Flynn	Lessard	Piper	Spear
Berglin	Frank	Luther	Pogemiller	Traub
Chmielewski	Frederickson, D.J.	Marty	Price	Vickerman
Cohen	Hottinger	Merriam	Ranum	Waldorf
Dahl	Hughes	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, R.D.	Riveness	
DeCramer	Johnson, J.B.	Mondale	Sams	
Dicklich	Kelly	Novak	Samuelson	

Those who voted in the negative were:

Belanger	Brataas	Johnston	Mehrkens	Storm
Benson, D.D.	Day	Knaak	Morse	Stumpf
Benson, J.E.	Frederickson, D.R.	Laidig	Neuville	
Berg	Gustafson	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Bertram	Johnson, D.E.	McGowan	Renneke	

The motion prevailed. So H.F. No. 1422 was recommended to pass.

H.F. No. 415, which the committee recommends to pass with the following amendment offered by Mr. Hottinger:

Amend H.F. No. 415, as amended pursuant to Rule 49, adopted by the Senate April 11, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 484.)

Page 2, line 27, strike "or attempt to coerce"

The motion prevailed. So the amendment was adopted.

H.F. No. 809, which the committee recommends to pass with the following amendment offered by Mr. Hottinger:

Amend H.F. No. 809, as amended pursuant to Rule 49, adopted by the Senate April 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 717.)

Page 1, line 12, strike the comma and delete everything after the stricken "except"

Page 1, delete lines 13 and 14

Page 1, line 15, delete everything before the semicolon

Page 5, after line 31, insert:

"Sec. 4. [COUNTY RECORDER'S EQUIPMENT FUND.]

*For calendar years 1992 and 1993, \$1 of the fee collected under Minnesota Statutes, section 357.18, subdivision 1, clause (1), must be deposited in the county recorder's equipment fund and be available, at the recorder's discretion, to provide modern, retrievable information from the county's system of recorded documents."*

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. DeCramer and Davis introduced—

S.F. No. 1526: A bill for an act relating to the environment; establishing a one call system for all environmental reporting to state agencies; appropriating money; amending Minnesota Statutes 1990, sections 299K.07; and 299K.09, subdivision 2.

Referred to the Committee on Veterans and General Legislation.

Mr. Beckman introduced—

S.F. No. 1527: A bill for an act relating to economic development; creating a legislature advisory commission on quasi-governmental agencies including public corporations and public nonprofit corporations; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Beckman introduced—

S.F. No. 1528: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

Mr. Waldorf introduced—

S.F. No. 1529: A bill for an act relating to funds; authorizing the state university board to maintain a fund; clarifying the scope of university activity funds; amending Minnesota Statutes 1990, section 136.11, subdivisions 3, 5, and by adding a subdivision.

Referred to the Committee on Finance.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1530: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 18.46, subdivisions 6, 9, 10, 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; 18.59; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 60A.14, subdivision 1; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 115C.09, by adding a subdivision; 138.91; 138.94; 155A.08, subdivisions 2, 3, and 5; 174.24, by adding a subdivision; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.155; 297B.031; 297B.09; 299K.09, subdivision 2; 349A.10, subdivision 5; and Laws 1987, chapter 396, article 6, section 2; repealing Minnesota Statutes 1990, sections 155A.09, subdivision 7; 168C.01 to 168C.13; and 174.32.

Under the rules of the Senate, laid over one day.

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

### **REPORTS OF COMMITTEES**

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3 and 467. The motion prevailed.



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

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.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC DEFENDER LAW CHANGES

Section 1. Minnesota Statutes 1990, section 611.14, is amended to read:

611.14 [RIGHT TO REPRESENTATION BY PUBLIC DEFENDER.]

The following persons who are financially unable to obtain counsel, ~~shall~~ *be* ~~are~~ entitled to be represented by a public defender:

(a) (1) a person charged with a felony or gross misdemeanor, including a person charged ~~pursuant to~~ *under* sections 629.01 to 629.29;

(b) (2) a person appealing from a conviction of a felony or gross misdemeanor, or a person convicted of a felony or gross misdemeanor who is pursuing a postconviction ~~proceeding~~, ~~after the time for appeal from the judgment has expired~~ *remedy if the conviction has not been previously directly appealed by or on behalf of the convicted person;*

(3) *a person who is contesting a paternity proceeding under sections 257.51 to 257.74 or a person charged with contempt of court under section 588.20 for violation of a child support or spousal maintenance order;*

(c) (4) a person who is entitled to be represented by counsel ~~pursuant to~~ *the provisions of* ~~under~~ section 609.14, subdivision 2;

(d) (5) a minor who is entitled to be represented by counsel ~~pursuant to~~ *the provisions of* ~~under~~ section 260.155, subdivision 2, if (i) the judge of the juvenile court concerned has requested and received the approval of a majority of the district court judges of the judicial district to utilize the services of the public defender in such cases, and approval of the compensation on a monthly, hourly, or per diem basis to be paid for such services ~~pursuant to~~ *under* section 260.251, subdivision 2, clause (e), or (ii) *the minor is entitled to be represented by the district public defender under section 611.26, subdivision 6; or*

(e) (6) a person, entitled by law to be represented by counsel, *who is*

charged with an offense ~~within the trial jurisdiction of a municipal, county, or probate court,~~ if (i) the trial judge or a majority of the trial judges of the court concerned have requested and received approval of a majority of the district court judges of the judicial district to utilize the services of the public defender in such cases and approval of the compensation on a monthly, hourly, or per diem basis to be paid for such services by the county ~~or municipality~~ within the court's jurisdiction, or (ii) *the person is entitled to be represented by the district public defender under section 611.26, subdivision 6.*

Sec. 2. Minnesota Statutes 1990, section 611.18, is amended to read:

611.18 [APPOINTMENT OF PUBLIC DEFENDER.]

*Subdivision 1. [INITIAL APPOINTMENT.]* If it appears to a court that a person requesting the appointment of counsel satisfies the requirements of this chapter, the court shall order the appropriate public defender to represent the person at all further stages of the proceeding through appeal, if any. For ~~those persons~~ *a person* appealing from a conviction, or *a person* pursuing a post conviction ~~proceeding,~~ *after the time for appeal has expired* ~~remedy who has not already had a direct appeal of the conviction,~~ the state public defender shall be appointed. For ~~all other persons~~ *a person* covered by section 611.14 *who is not pursuing an appeal or postconviction remedy,* a district public defender shall be appointed ~~to represent them under section 611.26, subdivision 6, or the person shall receive appointed counsel under section 611.14, clause (4) or (5).~~

*Subd. 2. [COURT APPOINTMENT.]* If (a) conflicting interests exist, (b) the district public defender for any other reason is unable to act, or (c) the interests of justice require, the state public defender may be ordered to represent a person. *When the state public defender is directed by a court to represent a defendant or other person, the state public defender may assign the representation to any district public defender.* If at any stage of the proceedings, including an appeal, the court finds that the defendant is financially unable to pay counsel whom the defendant had retained, the court may appoint the appropriate public defender to represent the defendant, as provided in this section.

*Subd. 3. [BEFORE COURT APPEARANCE.]* Prior to any court appearance, a public defender may represent a person accused of violating the law, who appears to be financially unable to obtain counsel, and shall continue to represent the person unless it is subsequently determined that the person is financially able to obtain counsel. The representation may be made available at the discretion of the public defender, upon the request of the person or someone on the person's behalf. Any law enforcement officer may notify the public defender of the arrest of any such person.

Sec. 3. Minnesota Statutes 1990, section 611.20, is amended to read:

611.20 [SUBSEQUENT ABILITY TO PAY COUNSEL.]

If at any time after the state public defender or a district public defender has been directed to act, the court having jurisdiction in the matter is satisfied that the defendant or other person is financially able to obtain counsel or to make partial payment for the representation, the court may terminate the appointment of the public defender, ~~unless the person so represented is willing to pay therefor.~~ If a public defender continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be recorded by the court

administrator, who shall transfer the payments to the ~~governmental unit responsible for the costs of the public defender~~ *state treasurer for deposit in the state treasury and credit to the general fund.*

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.

Sec. 4. 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~~ *a biennial* 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. 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) 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 and efficient delivery of legal services, including alternatives to the present geographic boundaries of the public defender districts.

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. 5. Minnesota Statutes 1990, section 611.25, subdivision 1, is amended to read:

Subdivision 1. [REPRESENTATION.] The state public defender shall

represent, without charge, a defendant or other person appealing from a conviction or pursuing a postconviction proceeding after the time for appeal has expired when the state public defender is directed to do so by a judge of the district court, of the court of appeals or of the supreme court of a felony or gross misdemeanor. The state public defender shall represent, without charge, a person convicted of a felony or gross misdemeanor who is pursuing a postconviction remedy if the conviction has not been previously directly appealed by or on behalf of the convicted person. The state public defender may represent, without charge, any other person pursuing a postconviction remedy under section 590.01 who is financially unable to obtain counsel. 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. The state public defender shall represent any other person, who is financially unable to obtain counsel, when directed to do so by the supreme court or the court of appeals, except that the state public defender shall not represent a person in any action or proceeding in which a party is seeking a monetary judgment, recovery or award. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. When the state public defender is directed by a court to represent a defendant or other person, the state public defender may, with the court's approval, assign the representation to any district public defender.

Sec. 6. Minnesota Statutes 1990, section 611.26, is amended by adding a subdivision to read:

*Subd. 3a. (a) Notwithstanding subdivision 3 or any other law to the contrary, compensation and economic benefit increases for district public defenders and assistant district public defenders under the state board of public defense are considered compensation as defined in subdivision 3. These increases are eligible increases that may be paid from state appropriations for salary supplements for state employees.*

*(b) Those budgets for district public defender services under the jurisdiction of the state board of public defense shall be eligible for adjustments to their base budgets in the same manner as other state agencies. In making biennial budget base adjustments, the commissioner of finance shall consider the budgets for district public defender services, as allocated by the state board of public defense, in the same manner as other state agencies.*

Sec. 7. Minnesota Statutes 1990, section 611.26, subdivision 6, is amended to read:

*Subd. 6. The district public defender shall represent, without charge, a defendant charged with a felony or a gross misdemeanor when so directed by the district court. In the second, third, fourth, sixth, and eighth districts only, the district public defender shall also represent a defendant charged with a misdemeanor when so directed by the district court and shall represent a minor in the juvenile court when so directed by the juvenile court.*

Sec. 8. Minnesota Statutes 1990, section 611.26, is amended by adding a subdivision to read:

*Subd. 9. [HOST COUNTY BENEFITS.] Notwithstanding any law to the*

*contrary, district public defenders and assistant district public defenders, and their employees and their dependents, may elect to enroll in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages of their respective host county, as designated by the state board of public defense under section 611.27, subdivision 2, at the time, in the manner, and under conditions of eligibility as established by the host county for its employees. The host county must provide for payroll deductions to be made in the same manner and under the same conditions as provided for an eligible county employee and the employee's dependents.*

Sec. 9. Minnesota Statutes 1990, section 611.27, subdivision 1, is amended to read:

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) A district public defender shall annually submit a comprehensive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.

Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.

(c) The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final comprehensive budget for the office of the district public defender that includes all expenses. After the board determines the allocation of the state funds authorized pursuant to paragraph (e), the board shall apportion the expenses of the district public defenders among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.

(d) Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

(e) Money appropriated to the state board of public defense for the board's administration, for the state public defender, for the judicial district public defenders, and for the public defense corporations shall be expended as determined by the board. In distributing funds to district public defenders, the board shall consider *the geographic distribution of public defenders, the equity of compensation among the judicial districts, public defender*

*caseloads, and the results of the weighted case load study.*

Sec. 10. Minnesota Statutes 1990, section 611.27, subdivision 2, is amended to read:

Subd. 2. The state board of public defense, after receiving an appropriation from the legislature for payment of district public defender costs, shall designate the county officials of one county within the district as a host county to reimburse the expenses of the district public defender. A county selected by the board must serve as the designee. *The host county shall execute contracts on behalf of the district public defender office in the same manner as for other county departments.* The county share assessed under subdivision 1 against each county of the district must be paid to the county treasurer of the designated county. The board may reimburse the designated county for extra costs incurred.

Sec. 11. Minnesota Statutes 1990, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

~~The Court administrators of all courts, prosecuting attorneys of counties and municipalities, law enforcement agencies of the state and its political subdivisions, and government agencies shall furnish, upon the request of the district public defender or, the state public defender, or a defense attorney working for a public defense corporation, copies of any documents, photographs, videotapes, or audiotapes in their possession at no charge to the public defender or defense attorney. The cost must be borne by the person providing the document, photograph, videotape, or audiotape. The public defender or defense attorney is not entitled to free documents, photographs, videotapes, or audiotapes from the court administrator if they originally came from another person who is required to provide them under this subdivision and are available from that person.~~

Sec. 12. [REPEALER.]

*Minnesota Statutes 1990, sections 611.215, subdivision 4; and 611.261, are repealed.*

Sec. 13. [EFFECTIVE DATE.]

*Sections 1 to 12 are effective the day following final enactment.*

## ARTICLE 2

### MISCELLANEOUS CHANGES

Section 1. Minnesota Statutes 1990, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state *and for the defense* in criminal cases shall receive the same fees for travel and attendance as provided in section 357.22; ~~and judges may, in their discretion, allow like fees to witnesses attending in behalf of any defendant.~~ In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed \$40 per day. ~~In courts these witness fees shall be certified and paid in the same manner as jurors.~~ *The compensation and reimbursement shall be paid out of the county treasury upon receipt of verification of the fees from the party who requested the witness.*

Sec. 2. Minnesota Statutes 1990, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty upon any charge or cause alleged, except in cases where imminent danger of escape exists, shall admit any resident attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify any attorney residing in the county of the request for a consultation with the attorney. *Reasonable private telephone access to the attorney must be provided to the person restrained at no charge to the attorney or to the person restrained.* Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the punishment prescribed therefor shall forfeit \$100 to the person aggrieved, to be recovered in a civil action.

Sec. 3. Minnesota Statutes 1990, section 590.05, is amended to read:

590.05 [INDIGENT PETITIONERS.]

A person financially unable to obtain counsel who desires to pursue the remedy provided in section 590.01 ~~is entitled to be represented~~ *may apply for representation* by the state public defender. The state public defender shall be ~~appointed to represent such person pursuant to~~ *under the applicable provisions of Minnesota Statutes 1965, sections 611.14 to 611.29, if the conviction has not been previously directly appealed by or on behalf of the convicted person. The state public defender may represent, without charge, any other person pursuing a postconviction remedy under section 590.01 who is financially unable to obtain counsel. 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.*

### ARTICLE 3

#### COURT AND PUBLIC DEFENDER FINANCING

Section 1. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 6. [AID OFFSET FOR PUBLIC DEFENSE COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for the assumption of the cost, in the case of a county located in the third and sixth judicial districts, of public defense services in juvenile and misdemeanor cases in the county during the fiscal year beginning on July 1, 1992. The amount of the deduction is computed as provided in this subdivision.*

*(b) By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third and sixth judicial districts of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third and sixth judicial districts during the fiscal year beginning on July 1, 1992.*

*(c) One-half of the amount computed under paragraph (b) for each county in the third and sixth judicial districts shall be deducted from each aid payment to the county in the third and sixth judicial districts under section 477A.015 in 1992 and each subsequent year.*

*(d) If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the county's homestead and agricultural credit aid under section 273.1398,*

subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 7. [AID OFFSET FOR 1994 COURT COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost of court administration offices and guardian ad litem programs, to the extent the assumption by the state is provided for by law. The amount of the deduction is computed as provided in this subdivision.*

*(b) By June 30, 1993, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the cost for each county of court administration offices and guardian ad litem programs during the calendar year beginning on January 1, 1994.*

*(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each aid payment to the county under section 477A.015 in 1994 and each subsequent year.*

*(d) If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.*

Sec. 3. Laws 1989, chapter 335, article 3, section 44, as amended by Laws 1990, chapter 604, article 9, section 13, is amended to read:

Sec. 44. [APPLICATION.]

~~Sections 45 to 54, except the parts of section 54, that by their terms have broader application, 53 apply only in the eighth judicial district for the period from January 1, 1990, to December 31, 1991.~~

~~Those parts of section 54, having broader application, apply statewide for the period from July 1, 1989, to December 31, 1991.~~

Sec. 4. [STUDY.]

*The supreme court shall study and recommend to the legislature the timetable during the 1994-1995 biennium for transferring to the state the costs of the court administration offices and guardian ad litem programs statewide and shall develop a detailed budget for those costs which must be included as a base cost in the 1994-1995 biennial budget.*

Sec. 5. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the state board of public defense to be available until June 30, 1993.*

Sec. 6. [REPEALER.]

*Laws 1989, chapter 335, article 3, section 54, as amended by Laws 1989 First Special Session chapter 1, article 5, section 47, and Laws 1990, chapter 604, article 9, section 14, is repealed.*

Sec. 7. [EFFECTIVE DATE.]

*Section 1 is effective for local government aid paid in 1992. Section 2 is effective for local government aid paid in 1994, if a law providing for the assumption by the state of the costs of court administration offices and guardian ad litem programs is enacted."*



Delete the title and insert:

“A bill for an act relating to the justice system; making various technical corrections and changes to the public defender law; limiting entitlement to appellate representation by the state public defender; providing for free documents and other items for public defenders; 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; providing for a county aid offset for public defense costs in the third and sixth judicial districts; providing for a county aid offset if certain court costs are assumed by the state; making the eighth judicial district court financing pilot project permanent; 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 subdivisions; 481.10; 590.05; 611.14; 611.18; 611.20; 611.215, subdivision 2; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 2; 611.271; and Laws 1989, chapter 335, article 3, section 44, as amended; repealing Minnesota Statutes 1990, sections 611.215, subdivision 4; 611.261; and Laws 1989, chapter 335, article 3, section 54, as amended.”

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 3: 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; appropriating money; 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.

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

Page 7, line 10, delete “(c)” and insert “*Subd. 2. [APPEAL.] (a)*”

Page 7, line 14, delete everything after “*district*” and insert a period

Page 7, line 15, delete everything before “*Within*”

Page 7, line 19, before the period, insert “*and the basis for the decision*”

Page 7, line 21, delete “60” and insert “120” and after the period, insert “*The notice must include the district’s justification for the extension.*”

*(b) Within ten days after receiving the soil and water conservation district’s decision under paragraph (a),”*

Page 7, line 22, after “*commissioner*” insert “*of natural resources*”

Page 7, line 26, before the period, insert “*and the basis for the decision*”

Page 8, after line 14, insert:

“*Subd. 5. [CONTROL OF NOXIOUS WEEDS.] Noxious weeds, as defined in section 18.171, subdivision 5, must be controlled on wetlands as required in section 18.191.*”

Page 10, line 6, delete “4 and 5” and insert “6 and 7”

Renumber the subdivisions in sequence

Pages 24 to 74, delete article 5 and insert:

#### “ARTICLE 5

#### WETLAND ESTABLISHMENT AND RESTORATION PROGRAM

##### Section 1. [103F.901] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 5.*

*Subd. 2. [BOARD.] “Board” means the board of water and soil resources.*

*Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of natural resources.*

*Subd. 4. [COMPREHENSIVE LOCAL WATER PLAN.] “Comprehensive local water plan” has the meaning given in section 103B.3363, subdivision 3.*

*Subd. 5. [LOCAL UNIT OF GOVERNMENT.] “Local unit of government” means a county board, joint county board, watershed management organization, or watershed district.*

*Subd. 6. [WATERSHED DISTRICT.] “Watershed district” means a district established under chapter 103D.*

*Subd. 7. [WATERSHED MANAGEMENT ORGANIZATION.] “Watershed management organization” has the meaning given in section 103B.205, subdivision 13.*

*Subd. 8. [WETLAND.] “Wetland” has the meaning given in article 6, section 7, subdivision 5.*

##### Sec. 2. [103F.902] [LOCAL PLANNING AND APPROVAL.]

*Subdivision 1. [APPLICATION.] A willing landowner may apply, on forms provided by the board, to a local unit of government for the establishment or restoration of a wetland on property owned by the landowner in an area that is:*

- (1) designated by the board as a high priority wetland region; and
- (2) identified as a high priority wetland area in the local unit of government's comprehensive local water plan.

*Subd. 2. [NOTICE AND PRELIMINARY HEARING.] (a) Within 30 days after receiving an application, the local unit of government shall hold a public hearing. At least ten days before the hearing, the local unit of government shall give notice of the hearing to the applicant and publish notice in an official newspaper of general circulation in the county.*

*(b) At the hearing, the local unit of government shall describe the application and hear comments from interested persons regarding the application and the planned establishment or restoration project.*

*Subd. 3. [PRELIMINARY APPROVAL.] Within 30 days of the public hearing, the local unit of government must give preliminary approval or disapproval of the application.*

*Subd. 4. [SURVEY REPORT.] After preliminary approval, the local unit of government shall direct and pay the costs of a soil and water conservation engineer to conduct a survey of the property where the wetland restoration or establishment project is proposed to be located. The engineer must file a report, including a map of the proposed wetland, that describes the effects of the proposed wetland on:*

- (1) the hydrology in the area;*
- (2) property of persons other than the applicant;*
- (3) groundwater recharge;*
- (4) flooding;*
- (5) fish and wildlife habitat;*
- (6) water quality; and*
- (7) other characteristics as determined by the local unit of government.*

*Subd. 5. [NOTICE AND FINAL HEARING.] Within 30 days of receiving the completed survey, the local unit of government shall hold a public hearing on the proposed project. At least ten days before the hearing, the local unit of government shall notify the landowner and the commissioner and provide public notice of the hearing and the availability of the survey report in an official newspaper of general circulation in the county. The commissioner may provide comment on the proposed wetland.*

*Subd. 6. [FINAL LOCAL APPROVAL.] Within 30 days of the public hearing, the local unit of government shall notify the applicant and the commissioner of the final approval or disapproval of the proposed wetland.*

**Sec. 3. [103F903] [WETLAND ESTABLISHMENT AND RESTORATION COST-SHARE PROGRAM.]**

*Subdivision 1. [APPLICATION.] A local unit of government shall apply to the board to receive cost-share funding for a proposed wetland restoration project that receives final local approval under section 2. The application must include a copy of the survey report and any comments received on the proposed wetland. Within 30 days of receiving an application, the board shall notify the local unit of government on whether the application and survey report are complete.*

*Subd. 2. [COST-SHARE.] The board may provide up to 50 percent of the cost of a wetland establishment or restoration project, including engineering costs, establishment or restoration costs, and compensation costs. Payments under this subdivision must be made from the wetland preservation, enhancement, restoration, and establishment fund established in article 4, section 2.*

*Subd. 3. [CONSERVATION EASEMENT.] In exchange for cost-share financing under subdivision 2, the board shall acquire a permanent conservation easement, as defined in section 84C.01, paragraph (1). The easement agreement must contain the conditions listed in section 103F.515, subdivision 4.*

*Subd. 4. [PRIORITIES.] In reviewing requests from local units of government under this section, the board must give priority to applications based on the public value of the proposed wetland. The public value of the wetland must include the value of the wetland for:*

- (1) water quality;*
- (2) flood protection;*
- (3) recreation including fish and wildlife habitat;*
- (4) groundwater recharge; and*
- (5) other public uses.*

**Sec. 4. [103F.904] [WETLAND ESTABLISHMENT.]**

*Subdivision 1. [ESTABLISHMENT ORDER.] After receiving approval of cost-share funding from the board, the local unit of government shall order the establishment or restoration of the wetland. The local unit of government shall pay all costs of establishing or restoring the wetland including the compensation required under subdivision 2.*

*Subd. 2. [COMPENSATION.] In exchange for the permanent conservation easement on an established or restored wetland, the local unit of government shall pay the applicant the amount required under section 103F.515, subdivision 6, for a permanent conservation easement.*

*Subd. 3. [WETLAND INVENTORY.] A wetland established under this section must be included in the wetland inventory established under article 2, section 4, subdivision 1. Establishing a wetland under this section does not give the public any greater right of access to the wetland than is provided in section 103G.205.*

**Sec. 5. [103F.905] [RULES.]**

*The board may adopt rules to implement sections 1 to 5."*

Page 80, line 1, before "A" insert "(a) Subject to the conditions in paragraph (b)."

Page 80, delete lines 3 to 5 and insert:

*"(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;"*

Page 80, after line 12, insert:

*"(3) activities in a wetland enrolled in the federal conservation reserve*

program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;”

Page 80, line 13, delete “(3)” and insert “(4)”

Page 80, line 15, delete “(4)” and insert “(5)”

Page 80, line 16, delete “and” and insert:

“(6) activities authorized under, and conducted in accordance with, an applicable general 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, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (26);”

Page 80, line 17, delete “(5)” and insert “(7)”

Page 80, line 23, delete the period and insert “;”

(8) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; or

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(9) 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;

(10) alteration of a wetland for the purpose of exploring for or mining peat;

(11) alteration of a wetland associated with the construction, operation, maintenance, or repair of an interstate pipeline;

(12) 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;

(13) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland;

(14) aquaculture activities, except building or altering of docks and activities involving the filling of wetlands;

*(15) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United State Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;*

*(16) 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;*

*(17) duck blinds;*

*(18) activities associated with routine maintenance of utility rights-of-way, provided the activities do not result in additional intrusion into the wetland; and*

*(19) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices.*

*(b) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:*

*(1) appropriate erosion control measures are taken to prevent sedimentation of the water;*

*(2) the activity does not block fish passage in a watercourse; and*

*(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.”*

Page 83, line 5, delete everything after “(b)”

Page 83, delete lines 6 to 36

Page 84, delete lines 1 to 18

Page 84, line 19, delete “(c)”

Page 84, lines 19 and 20, delete “paragraphs (a) and (b)” and insert “paragraph (a)”

Page 85, line 3, delete “ELIGIBILITY” and insert “GENERAL”

Page 85, line 5, after the period, insert “*The person may make the requested use of the wetland without a permit if the person:*

*(1) is eligible for compensation under subdivision 2;*

*(2) applies for compensation in accordance with subdivision 3; and*

*(3) does not receive the compensation required in subdivision 4 within 90 days after the application for compensation is received by the board of water and soil resources.*

Subd. 2. [ELIGIBILITY.]”

Page 85, line 30, delete “70” and insert “100”

Page 86, lines 16 and 29, delete “3” and insert “4”

Page 86, line 30, delete “covenants” and insert “covenants”

Renumber the subdivisions in sequence

Page 87, line 7, delete the colon and insert "*restoration of the wetland, as determined by the local soil and water conservation district.*"

Page 87, delete lines 8 to 13

Page 87, line 19, delete the colon and insert "*restore the wetland, as determined by the local soil and water conservation district.*"

Page 87, delete lines 20 to 25

Pages 94 to 96, delete article 9 and insert:

#### "ARTICLE 9

### INTERIM WETLAND ACTIVITIES

#### Section 1. [103G.2369] [INTERIM.]

*Subdivision 1. [DEFINITION.] For purposes of this section, "wetland" means a wetland as defined in article 6, section 7, subdivision 5, that is identified using the "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989).*

*Subd. 2. [PROHIBITED ACTIVITIES.] (a) Except as provided in subdivision 3, until July 1, 1993, a person may not drain, burn, or fill a wetland.*

*(b) Except as provided in subdivision 3, until July 1, 1993, a state agency or local unit of government may not issue a permit for an activity prohibited in paragraph (a) or for an activity that would include an activity prohibited in paragraph (a).*

*Subd. 3. [EXEMPTIONS.] The prohibitions in subdivision 2 do not apply to:*

*(1) activities exempted under, and conducted in accordance with, article 6, section 9, subdivision 2;*

*(2) development projects and drainage system 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, within five years before the effective date of this section;*

*(3) activities for which the local soil and water conservation district or other local permitting authority certifies that any loss of wetland area resulting from the activity will be replaced; and*

*(4) a person who is enrolled or participating in a program listed in United States Code, title 16, section 3821, subsection (a), clauses (1) to (3).*

*Subd. 4. [ENFORCEMENT.] This section must be enforced as provided in article 6, section 12.*

#### Sec. 2. [REPEALER.]

*Section 1 is repealed.*

#### Sec. 3. [EFFECTIVE DATE.]

*Section 2 is effective July 1, 1993.*

ARTICLE 10  
SECTION 404 PROGRAM

Section 1. [103G.127] [PERMIT PROGRAM UNDER SECTION 404 OF THE FEDERAL CLEAN WATER ACT.]

*Notwithstanding any other law to the contrary, the commissioner may adopt rules establishing a permit program for regulating the discharge of dredged and fill material into the waters of the state as necessary to obtain approval from the United States Environmental Protection Agency to administer the permit program under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344. The rules may not be more restrictive than the program under section 404, or state law, if it is more restrictive than the federal program.*

Sec. 2. Minnesota Statutes 1990, section 103G.141, is amended to read:  
103G.141 [PENALTIES.]

*Subdivision 1. [MISDEMEANORS.] Except as provided in subdivision 2, a person is guilty of a misdemeanor who:*

(1) undertakes or procures another to undertake an alteration in the course, current, or cross section of public waters or appropriates waters of the state without previously obtaining a permit from the commissioner, regardless of whether the commissioner would have granted a permit had an application been filed;

(2) undertakes or procures another to undertake an alteration in the course, current, or cross section of public waters or appropriates waters of the state in violation of or in excess of authority granted under a permit issued by the commissioner, regardless of whether an application had been filed for permission to perform the act involved or whether the act involved would have been permitted had a proper application been filed;

(3) undertakes or procures another to undertake an alteration in the course, current, or cross section of public waters or appropriates waters of the state after a permit to undertake the project has been denied by the commissioner; or

(4) violates a provision of this chapter.

*Subd. 2. [VIOLATION OF SECTION 404 PERMITS.] (a) Whenever the commissioner finds that a person is in violation of a condition or limitation set forth in a permit issued under the rules adopted by the commissioner under section 1, the commissioner shall issue an order requiring the person to comply with the condition or limitation, or the commissioner shall bring a civil action in accordance with paragraph (b).*

*(b) The commissioner may commence a civil action for appropriate relief in district court, including a permanent or temporary injunction, for a violation for which the commissioner is authorized to issue a compliance order under paragraph (a). The court may restrain the violation and require compliance.*

*(c) A person who violates a condition or limitation in a permit issued by the commissioner under section 1, and a person who violates an order issued by the commissioner under paragraph (a), is subject to a civil penalty not to exceed \$25,000 per day for each violation. In determining the amount of a civil penalty the court shall consider the seriousness of the violation*



*or violations, the economic benefit, if any, resulting from the violation, any history of violations, any good faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violator, and other matters justice may require.*

Sec. 3. [SECTION 404 PROGRAM SUBMISSION.]

*Subdivision 1. [DEFINITION.] For purposes of this section, "section 404 program" means the permit program under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344.*

*Subd. 2. [INTENT.] The legislature intends that as expeditiously as possible the state obtain approval from the administrator of the United States Environmental Protection Agency to administer the section 404 program in this state.*

*Subd. 3. [REQUIREMENTS.] (a) By February 1, 1993, the commissioner of natural resources shall:*

*(1) adopt rules under section 1 that provide adequate authority for administering the section 404 program; and*

*(2) after consulting with the attorney general, report to the environment and natural resources committees of the legislature on existing laws that are inconsistent with the authority necessary for administering the section 404 program.*

*(b) By March 1, 1993, the governor shall make the submission to the administrator of the United States Environmental Protection Agency required in United States Code, title 33, section 1344(g), to obtain authority to administer the section 404 program."*

Page 96, line 27, delete "10" and insert "11"

Page 101, after line 32, insert:

"Sec. 6. Minnesota Statutes 1990, section 282.018, subdivision 2, is amended to read:

*Subd. 2. [MARGINAL LAND AND WETLANDS.] Nonforested marginal land and wetlands on land that is property of the state as a result of forfeiture to the state for nonpayment of taxes is withdrawn from sale as provided in section 103F.535 unless ~~restricted by a conservation easement as provided in section 103F.535.~~*

*(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the board of water and soil resources, is provided to prospective purchasers; and*

*(2) the deed contains a restrictive covenant, in a form prescribed by the board of water and soil resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands."*

Page 102, line 1, delete "6" and insert "5 and 7"

Renumber the sections of article 11 in sequence

Amend the title as follows:

Page 1, line 14, delete "providing"

Page 1, delete lines 15 to 17 and insert "creating a cost-share program for establishment and restoration"

Page 1, line 25, after the first semicolon, insert "requiring the state to apply for authority to administer the permit program under section 404 of the federal Clean Water Act;"

Page 1, line 28, after "18;" insert "103G.141;"

Page 1, line 31, delete "and" and after "4;" insert "and 282.018, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

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.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### GENERAL EDUCATION

Section 1. Minnesota Statutes 1990, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a,

and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1990, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) ~~31.0~~ 37.0 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of transition aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

*Subd. 5a. [SUPPLEMENTAL REVENUE.] (a) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a consolidation, the newly created district's 1991-1992 revenue and 1991-1992 actual pupil units are the sum of the 1991-1992 revenue and 1991-1992 pupil units, respectively, of the former districts comprising the new district.*

*(b) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a dissolution and attachment, a district's 1991-1992 revenue is the revenue of the existing district plus the result of the following calculation:*

*(1) the 1991-1992 revenue of the dissolved district divided by*

*(2) the dissolved district's 1991-1992 actual pupil units, multiplied by*

(3) *the pupil units of the dissolved district in the most recent year before the dissolution allocated to the newly created or enlarged district.*

(c) *In the case of a dissolution and attachment, the department of education shall allocate the pupil units of the dissolved district to the newly enlarged district based on the allocation of the property on which the pupils generating the pupil units reside.*

Sec. 4. Minnesota Statutes 1990, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as ~~1.35~~ 1.3 pupil units.

Sec. 5. Minnesota Statutes 1990, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. [FISCAL YEAR 1992 AFDC PUPIL UNITS.] *AFDC pupil units for fiscal year 1992 shall be computed according to this subdivision. In a district in which the number of pupils from families receiving aid to families with dependent children on October 1 of the previous school year according to section 7 equals six percent or more of the actual pupil units in the district for the current school year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit*

for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 6. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

*Subd. 1c. [AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1993 and thereafter must be computed according to this subdivision.*

*(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:*

*(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; to*

*(2) the number of pupils in average daily membership according to section 7 enrolled in the district.*

*(b) The AFDC pupil weighting factor for a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.*

*(c) The AFDC pupil units for a district for fiscal year 1993 and thereafter equals the product of:*

*(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; times*

*(2) the AFDC pupil weighting factor for the district; times*

*(3) .65.*

Sec. 7. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

*Subd. 1d. [AFDC PUPIL COUNTS.] AFDC pupil counts and average daily membership for sections 5 and 6 shall be determined according to this subdivision:*

*(a) For districts where the number of pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.*

*(b) For districts that do not meet the requirement of paragraph (a), the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number enrolled in the previous school year and the second previous school year.*

Sec. 8. Minnesota Statutes 1990, section 124A.02, subdivision 16, is amended to read:

*Subd. 16. [PUPIL UNITS, AFDC.] "AFDC pupil units" for fiscal year 1992 means pupil units identified in section 124.17, subdivision 1b.*

*"AFDC pupil units" for fiscal year 1993 and thereafter means pupil units identified in section 6.*

Sec. 9. Minnesota Statutes 1990, section 124A.02, subdivision 23, is amended to read:

Subd. 23. [~~TRAINING DEVELOPMENT AND EXPERIENCE LEARNING INDEX.~~] ~~"Training "Development and experience learning index"~~ means a measure of a district's teacher ~~training education~~ and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 ~~and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.~~

Sec. 10. Minnesota Statutes 1990, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) *A district that had authority to levy an amount based upon an approved local tax rate for taxes payable in 1991 may continue to levy up to the amount authorized for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum according to this subdivision.*

*A district proposing to increase the amount that was authorized for taxes payable in 1991 and a district without authority to levy according to this subdivision for taxes payable in 1991 may increase its general education levy according to this subdivision.*

The general education levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. 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 per actual pupil unit~~ that will be raised by that local tax rate in the first year it is to be levied, and that the ~~local tax rate proceeds of the~~ levy shall be used to finance school operations. The ballot shall designate the specific number of years for which the referendum authorization shall apply *which may not exceed five years*. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of . . . . ., School District No. . . . ., be approved?"

~~If approved, the~~ *An approved amount provided by the approved local tax rate applied to the net tax capacity per actual pupil unit times the number of actual pupil units in the district for the fiscal year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.*

(b) The school 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 referendum to each taxpayer at the address listed on the school 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 *tax* increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

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.”

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. *A referendum to revoke or reduce the levy amount shall be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization.* A levy approved by the voters of the district pursuant to 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 revocation or reduction referendum may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

Sec. 11. Minnesota Statutes 1990, section 124A.04, is amended to read:

124A.04 ~~[TRAINING DEVELOPMENT AND EXPERIENCE LEARNING INDEX.]~~

~~Subdivision 1. [FISCAL YEAR 1992.] The training development and experience learning index for fiscal year 1992 shall be constructed in the following manner:~~

(a) The department shall construct a matrix which classifies teachers by the extent of ~~training~~ *education* received in accredited institutions of higher

education, and by the years of experience which ~~the district takes~~ *districts take* into account in determining ~~each teacher's salary~~ *teacher salaries*.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

*Subd. 2. [1993 AND THEREAFTER.] The development and learning index for fiscal year 1993 and thereafter must be constructed in the following manner:*

*(a) The department shall construct a matrix that classifies teachers by the extent of education received in accredited institutions of higher education and by the years of experience that districts take into account in determining teacher salaries.*

*(b) The average salary for each cell of the matrix shall be computed as follows using data from the second year of the previous biennium:*

*(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of education and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.*

*(2) Sum the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.*

*(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state.*

*(d) The index for each district that employs teachers shall be equal to the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers shall be zero.*

Sec. 12. Minnesota Statutes 1990, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. ~~The formula allowance is \$2,838 for fiscal year 1990. The formula allowance for 1992 and subsequent fiscal years is \$2,953~~ \$3,050.

Sec. 13. Minnesota Statutes 1990, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] *(a) For fiscal year 1992, the compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.*

*(b) For fiscal year 1993 and thereafter, the maximum compensatory education revenue for each district equals the formula allowance times the AFDC*



pupil units computed according to section 124.17, subdivision 1c.

(c) For fiscal year 1993 and thereafter, the previous formula compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1b.

(d) For fiscal year 1993, the compensatory education revenue for each district equals the district's previous formula compensatory revenue plus one-fourth of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(e) For fiscal year 1994, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus one-half of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(f) For fiscal year 1995, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus three-fourths of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(g) For fiscal year 1996 and thereafter, the compensatory education revenue for each district equals the district's maximum compensatory education revenue.

Sec. 14. Minnesota Statutes 1990, section 124A.22, subdivision 4, is amended to read:

Subd. 4. ~~[TRAINING DEVELOPMENT AND EXPERIENCE LEARNING REVENUE.]~~ (a) For fiscal year 1992, the ~~training development and experience learning~~ revenue for each district equals the greater of zero or the result of the following computation:

(a) (1) subtract 1.6 from the ~~training development and experience learning~~ index-;

(b) (2) multiply the result in clause (a) (1) by the product of \$700 times the actual pupil units for the school year.

(b) For fiscal year 1993 and thereafter, the maximum development and learning revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract 0.9 from the development and learning index;

(2) multiply the result in clause (1) by the product of \$1,200 times the actual pupil units for the school year.

(c) For fiscal year 1993 and thereafter, the previous formula development and learning revenue for each district equals the amount of development and learning revenue computed for that district according to the formula used to compute development and learning revenue for fiscal year 1992.

(d) For fiscal year 1993, the development and learning revenue for each district equals the district's previous formula development and learning revenue plus one-fourth of the difference between the district's maximum development and learning revenue and the district's previous formula development and learning revenue.

(e) For fiscal year 1994, the development and learning revenue for each district equals the district's previous formula development and learning revenue plus one-half of the difference between the district's maximum development and learning revenue and the district's previous formula development and learning revenue.

(f) For fiscal year 1995, the development and learning revenue for each district equals the district's previous formula development and learning revenue plus three-fourths of the difference between the district's maximum development and learning revenue and the district's previous formula development and learning revenue.

(g) For fiscal year 1996 and thereafter, the development and learning revenue for each district equals the district's maximum development and learning revenue.

Sec. 15. Minnesota Statutes 1990, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to ~~subdivision~~ subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located ~~20~~ 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 16. Minnesota Statutes 1990, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue for fiscal year 1992 equals the product of the district's supplemental revenue for fiscal year 1991 times the ratio of:

(1) the district's 1991-1992 actual pupil units; to

(2) the district's 1990-1991 actual pupil units adjusted for the change in secondary pupil unit weighting from 1.35 to 1.3 made in section 4.

(b) If a district's minimum allowance exceeds the sum of its basic revenue, previous formula compensatory education revenue, training previous formula development and experience learning revenue, secondary sparsity revenue, and elementary sparsity revenue per actual pupil unit for a school fiscal year 1993 or a subsequent fiscal year, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year.

Sec. 17. Minnesota Statutes 1990, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITIONS DEFINITION FOR SUPPLEMENTAL REVENUE.] (a) The definitions definition in this subdivision apply applies only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(8) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(c) "Minimum allowance" for a district means:

(1) the district's 1987-1988 general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's 1987-1988 1991-1992 actual pupil units, adjusted for the

change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) \$143 for fiscal year 1990 and \$258 for subsequent fiscal years.

Sec. 18. Minnesota Statutes 1990, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] ~~The general education tax rate for fiscal year 1991 is 26.3 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the general education tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. ~~The general education tax rate shall be the rate that raises \$845,000,000 for fiscal year 1992 and \$887,000,000 \$923,500,000 for fiscal year 1993 and \$994,000,000 for fiscal year 1994~~ and subsequent fiscal years. The general education tax rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 19. 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 124, 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. 20. Minnesota Statutes 1990, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds \$600 times the fund balance pupil units in the prior year. For purposes of this subdivision only, fund balance pupil units means the number of *resident* pupil units in average daily membership ~~enrolled in the district~~, including shared time pupils, according to section 124A.02, subdivision 20, *plus*

*(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus*

*(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, and excluding plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:*

*(1) the amount of the excess, or*

*(2) \$150 times the actual pupil units for the school year.*

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

**Sec. 21. [124A.292] [RESERVED REVENUE FOR PREPARATION TIME AND STAFF DEVELOPMENT.]**

*(a) A district may provide preparation time for elementary teachers if the teachers devote at least 300 minutes to pupil contact time each day. Preparation time and lunch time are not included in pupil contact time. Revenue for the preparation time is available by reserving revenue equal to \$20 per pupil unit in the district. Any reserved revenue not needed to provide preparation time shall be used to provide staff development.*

*(b) If elementary teachers in a district have time for preparation and devote 300 minutes of pupil contact time each day, the district shall use the reserved revenue to provide staff development.*

*(c) The department of education shall withhold \$20 per pupil unit for any district in which elementary teachers are not required to meet the pupil contact standard in paragraph (a). At any time elementary teachers in the district are required to meet the pupil contact standard, the department shall pay the district \$20 per pupil unit, or pro rata share if the district comes into compliance with the standard after the beginning of a fiscal year. Paragraphs (a) and (b) apply to a district at the time it comes into compliance with the standard.*

*(d) Revenue reserved for elementary teacher preparation time and staff development may not be used for any other purpose.*

Sec. 22. Minnesota Statutes 1990, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29, if it establishes a staff development advisory committee and adopts a staff development plan according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include representatives of parents, and administrators. The advisory committee shall develop a staff development plan and submit it to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. *The department of education may not review or approve school board plans.*

Sec. 23. Minnesota Statutes 1990, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan for

any of the following purposes:

- (1) *to provide in-service education in outcome based education;*
- (2) *for in-service education to increase the effectiveness of teachers in responding to children and young people at risk of not succeeding at school;*
- ~~(2)~~ (3) *to participate in the educational effectiveness program according to section 121.609;*
- ~~(3)~~ (4) *to provide in-service education for elementary and secondary teachers to improve the use of technology in education;*
- (4) (5) *to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;*
- ~~(5)~~ (6) *to use experienced teachers, as mentors, to assist in the continued development of new teachers;*
- (6) (7) *to increase the involvement of parents, business, and the community in education, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;*
- ~~(7)~~ (8) *for experimental delivery systems;*
- (8) (9) *for in-service education to increase the effectiveness of principals and administrators;*
- ~~(9)~~ (10) *for in-service education or curriculum development for programs for gifted and talented pupils;*
- ~~(10)~~ (11) *for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;*
- ~~(11)~~ (12) *for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.666;*
- (12) (13) *for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;*
- ~~(13)~~ (14) *for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;*
- (14) (15) *for short-term contracts as described in section 126.72; or*
- ~~(15)~~ (16) *to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills.*

Sec. 24. [MORATORIUM ON REFERENDUM INCREASES.]

*A school district or an education district may not conduct an election in 1991 under Minnesota Statutes, section 124A.03, subdivision 2, paragraph (a), or 124B.03, subdivision 2, paragraph (a), for property taxes payable in 1992. An election may be conducted under section 124A.03, subdivision 2, paragraph (c), or 124B.03, subdivision 2, paragraph (e).*

Sec. 25. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:*

*\$1,632,529,000 . . . . . 1992*

*\$1,724,259,000 . . . . . 1993*

*The 1992 appropriation includes \$247,303,000 for 1991 and \$1,385,226,000 for 1992.*

*The 1993 appropriation includes \$257,763,000 for 1992 and \$1,466,496,000 for 1993.*

**Sec. 26. [REPEALER.]**

*Minnesota Statutes 1990, section 124A.02, subdivision 19, is repealed effective July 1, 1991. Minnesota Statutes, section 122.531, subdivision 5, is repealed. Sections 124.17, subdivision 1b, and 124A.04, subdivision 1, are repealed July 1, 1992.*

**Sec. 27. [EFFECTIVE DATE.]**

*Section 15 is effective retroactively to July 1, 1989. Section 16, paragraph (b), is effective for revenue for 1993 and thereafter.*

**ARTICLE 2**

**TRANSPORTATION**

**Section 1.** Minnesota Statutes 1990, section 120.062, subdivision 9, is amended to read:

**Subd. 9. [TRANSPORTATION.]** If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. *The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten.*

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

Sec. 2. Minnesota Statutes 1990, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. *The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten.* The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 3. Minnesota Statutes 1990, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. *Transportation aid is not authorized for late transportation home from school for pupils involved in after school activities.*

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(i) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and



(ii) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(i) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(ii) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 4. Minnesota Statutes 1990, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph ~~(e)~~ (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "~~Adjusted authorized predicted cost per FTE~~" means the ~~authorized cost predicted by a multiple regression formula determined by the department of education and adjusted pursuant to subdivision 7a.~~

(d) "~~Regular transportation allowance~~" for the 1989-1990 school year means the ~~adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.~~

(e) For purposes of this section, "Transportation category" means a category of transportation service provided to pupils *as follows*:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; ~~late transportation home from school for pupils involved in after school activities~~; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils

to and from school within a mobility zone;

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category, and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10;

(3) Excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; and.

(4) Desegregation transportation is transportation of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) *Handicapped transportation is transportation provided under section 124.223, subdivision 4, for handicapped pupils between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.*

(~~g~~) (d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(~~g~~) (e) "Current year" means the school year for which aid will be paid.

(~~h~~) (f) "Base year" means the second school year preceding the school year for which aid will be paid.

(i) (g) "Base cost" for the 1986-1987 and 1987-1988 base years means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b); plus

(ii) the actual cost in the base year for excess transportation as defined in paragraph (e); clause (3);

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year; plus

(ii) the number of FTE pupils transported in the excess category in the base year.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in clause (b) plus the actual cost in the base year for excess transportation as defined in clause (e) (c);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years

means the base cost as predicted by subdivision 3.

~~(h)~~ ~~“Predicted base cost” for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.~~

~~(m)~~ ~~(h)~~ “Pupil weighting factor” for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) Raise the result in clause (1) to the one-fifth power;

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

~~(n)~~ ~~(i)~~ “Weighted FTE’s” means the number of FTE’s in each transportation category multiplied by the pupil weighting factor for that category.

~~(o)~~ ~~(j)~~ “Sparsity index” for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE’s transported by the district in the regular and excess categories in the base year.

~~(p)~~ ~~(k)~~ “Density index” for a school district means the greater of one or the result obtained by subtracting the product of the district’s sparsity index times 20 from two.

~~(q)~~ ~~(l)~~ “Contract transportation index” for a school district means the greater of one or the result of the following computation:

(1) Multiply the district’s sparsity index by 20;

(2) Select the lesser of one or the result in clause (1);

(3) Multiply the district’s percentage of regular FTE’s transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

~~(r)~~ ~~(m)~~ “Adjusted predicted base cost” for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

~~(s)~~ ~~(n)~~ “Regular transportation allowance” for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

~~(t)~~ ~~“Minimum regular transportation allowance” for the 1990-1991 school year and after means the result of the following computation:~~

~~(1) compute the sum of the district’s basic transportation aid for the 1989-1990 school year according to subdivision 8a and the district’s excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5e, clause (a);~~

~~(2) divide the result in clause (1) by the sum of the number of weighted FTE’s transported by the district in the regular and excess transportation categories in the 1989-1990 school year;~~

~~(3) select the lesser of the result in clause (2) or the district’s base cost for the 1989-1990 base year according to paragraph (j);~~

Sec. 5. Minnesota Statutes 1990, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost ~~for the 1988-1989 base year and later years~~ equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is ~~\$406 for the 1988-1989 base year and~~ \$421 for the 1989-1990 base year ~~and \$434 for the 1990-1991 base year.~~

(b) Multiply the result in clause (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in clause (b) by the district's contract transportation index raised to the 1/20 power.

Sec. 6. Minnesota Statutes 1990, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] ~~Each district's predicted base cost determined for the 1986-1987 and 1987-1988 base years according to subdivision 3 shall be adjusted as provided in this subdivision to determine the district's adjusted authorized predicted cost per FTE for that year.~~

(a) ~~If the base cost of the district is within five percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.~~

(b) ~~If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.~~

(c) ~~If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.~~

(d) ~~For the 1988-1989 base year and later years, Each district's predicted base cost determined according to subdivision 3a must be adjusted as provided in this subdivision to determine the district's adjusted predicted base cost for that year. The adjusted predicted base cost equals 50 percent of the district's base cost plus 50 percent of the district's predicted base cost, but the adjusted predicted base cost cannot be less than 80 percent, nor more than 110 105 percent, of the base cost.~~

Sec. 7. Minnesota Statutes 1990, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] ~~The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 4.1 percent to determine the district's regular transportation allowance for the 1988-1989 school year and by 5.8 percent to determine the district's regular transportation allowance for the 1989-1990 school year.~~

The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by ~~5.4~~ *four* percent to determine the district's regular transportation allowance for the ~~1990-1991~~ *1991-1992* school year *and by two percent to determine the district's regular transportation allowance for the 1992-1993 school year*, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to *Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t)*.

Sec. 8. Minnesota Statutes 1990, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] ~~Beginning in the 1990-1991 school year~~. The transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular ~~and~~, *desegregation, and handicapped* categories in the current school year.

(b) The nonregular transportation revenue for each district ~~for the 1991-1992 school year~~ *equals the lesser of the district's actual cost in the 1991-1992 school year for nonregular transportation services or the sum of: (i) the product of the district's actual cost in the current 1990-1991 school year for nonregular transportation services, as defined for the 1991-1992 school year in subdivision 1, paragraph (c), excluding desegregation transportation, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.01; plus (ii) the district's actual cost in the 1991-1992 school year for desegregation transportation; minus (iii) the amount of regular transportation revenue attributable to FTE's transported in the desegregation category and handicapped categories in the current school year; plus (iv) the excess nonregular transportation revenue for the 1991-1992 school year according to section 9.*

*For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the sum of: (i) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), excluding desegregation transportation, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, increased by the percentage used in computing the regular transportation allowance for the current year under subdivision 7b; plus (ii) the district's actual cost in the current school year for desegregation transportation; minus (iii) the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year; plus (iv) the excess nonregular transportation revenue for the current year according to section 9.*

Sec. 9. Minnesota Statutes 1990, section 124.225, is amended by adding a subdivision to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.]

*(a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:*

*(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), excluding desegregation transportation, and*

*(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year, excluding desegregation transportation, times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.*

*(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:*

*(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year, excluding desegregation transportation, and*

*(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year, excluding desegregation transportation, times 1.30, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.*

*(c) The state total excess nonregular transportation revenue may not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit established in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).*

Sec. 10. Minnesota Statutes 1990, section 124.225, subdivision 8a, is amended to read:

~~Subd. 8a. [TRANSPORTATION AID.] (a) For the 1988-1989 and 1989-1990 school years, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k and minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.~~

~~(b) For 1990-1991 and later school years, A district's transportation aid equals the product of:~~

~~(1) the difference between the transportation revenue and the sum of:~~

~~(i) the maximum basic transportation levy for that school year under section 275.125, subdivision 5, plus~~

~~(ii) the maximum nonregular transportation levy for that school year under section 275.125, subdivision 5c, plus~~

~~(iii) the contracted services aid reduction under subdivision 8k,~~

~~(2) times the ratio of the sum of the actual amounts levied under section 275.125, subdivisions 5 and 5c, to the sum of the permitted maximum levies under section 275.125, subdivisions 5 and 5c.~~

(e) (b) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the transportation levy of off-formula districts in the same proportion.

Sec. 11. Minnesota Statutes 1990, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

(e) For 1990-1991 and later school years, The department of education shall determine the subtraction by computing the district's regular transportation revenue, excluding revenue based on the *district's* minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t), under two circumstances, once including the factor specified in subdivision 3a, clause (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.

Sec. 12. Minnesota Statutes 1990, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, paragraph (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the district's transportation revenue under subdivision 7e 7d.

Sec. 13. Minnesota Statutes 1990, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted

net tax capacity of the district for the preceding year. ~~The basic transportation tax rate for fiscal year 1991 is 2.04 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the basic transportation tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises ~~\$66,700,000~~ *\$64,700,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1992 1994* and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 14. Minnesota Statutes 1990, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] ~~(a) In the 1989 and 1990 fiscal years, if the basic transportation levy under subdivision 5 in a district attributable to the fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the second year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.~~

~~(b) For 1991 and later fiscal years, In a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7e 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the amount of the excess.~~

Sec. 15. Minnesota Statutes 1990, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall be the result of the following computation:

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7e 7d, that is more than the product of ~~\$30~~ *\$60* times the district's ~~actual pupil units~~ *average daily membership*, by

(2) ~~60~~ *50* percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;



(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the ~~actual pupil units average daily membership~~ in the district for the school year to which the levy is attributable, to (ii) ~~\$7,258~~ \$8,000.

Sec. 16. [LEVY ADJUSTMENT.]

*The department of education shall adjust the 1991 levy for each school district by the amount of the change in the district's nonregular transportation levy for fiscal year 1992 according to Minnesota Statutes, section 275.125, subdivision 5c, resulting from the changes to nonregular transportation revenue and levy under sections 4, 8, 9, and 15. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.*

Sec. 17. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:*

\$115,828,000 . . . . . 1992

\$122,602,000 . . . . . 1993

*The 1992 appropriation includes \$17,679,000 for 1991 and \$98,149,000 for 1992.*

*The 1993 appropriation includes \$17,320,000 for 1992 and \$105,282,000 for 1993.*

*Subd. 3. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS PROGRAMS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514, or attending non-resident districts according to Minnesota Statutes, section 120.062:*

\$60,000 . . . . . 1992

\$60,000 . . . . . 1993

Sec. 18. [REPEALER.]

*Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j, are repealed.*

ARTICLE 3

SPECIAL PROVISIONS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 11a, is amended to read:

*Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of children under age seven with handicaps, three representatives of public or private providers of services for children under age ~~five~~ seven with handicaps, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one*

representative of advocacy organizations for children with handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children under age ~~five~~ *seven* with handicaps. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with handicaps and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age ~~five~~ *seven* with handicaps and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for handicapped children under age ~~five~~ *seven* and their families. Members of the committee shall be representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; current service providers; parents of young handicapped children; and other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly. The committee shall perform the following ongoing duties:

- (1) identify current services and funding being provided within the community for handicapped children under the age of ~~five~~ *seven* and their families;

- (2) establish and evaluate the identification, referral, and community

learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of individual education plans and individual service plans when necessary to appropriately serve handicapped children under the age of five seven and their families and recommend assignment of financial responsibilities to the appropriate agencies;

(4) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(5) review and comment on the early intervention section of the total special education system for the district and the county social services plan; and

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services.

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 3. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

*Subd. 17. [GRANTS TO PARENT-TO-PARENT PROGRAMS.] The commissioner of education, with the advice of the state interagency coordinating council, shall award grants to parent-to-parent support programs. Parent-to-parent support programs provide experienced parents of children with handicaps as resources of information, coping skills, and emotional support for other parents of children with handicaps who are recently identified as handicapped or who are experiencing crises.*

Sec. 4. [120.173] [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

*Subdivision 1. [COMMISSIONER APPROVAL.] The commissioner of education may approve applications from school districts to provide prevention services as an alternative to special education and other compensatory programs during three school years. A district with an approved program may provide instruction and services in a regular education classroom to eligible pupils. Pupils eligible to participate in the program are low-performing pupils who, based on documented experience, the professional judgment of a classroom teacher, or a team of licensed professionals, would eventually qualify for special education instruction or related services under section 120.17 if the intervention services authorized by this section were unavailable. Pupils may be provided services during extended school days and throughout the entire year.*

*Subd. 2. [APPLICATION CONTENTS.] The application must set forth:*

*(1) instructional services available to eligible pupils under section 124.311, subdivision 3, and handicapped pupils under section 120.03;*

*(2) criteria to select pupils for the program and the assessment procedures to determine eligibility;*

*(3) involvement in the program of parents of pupils in the program, parent advocates, and community special education advocates;*

*(4) accounting procedures to document that federal special education money is used to supplement or increase the level of special education*

*instruction and related services provided with state and local revenue, but in no case to supplant the state and local revenue, and that districts are expending at least the amount for special education instruction and related services required by federal law;*

*(5) the role of regular and special education teachers in planning and implementing the program; and*

*(6) other information requested by the commissioner.*

*Subd. 3. [EVALUATION.] The application shall also set forth the review and evaluation procedures to be used by the district addressing at least the following:*

*(1) the number of handicapped and nonhandicapped pupils served;*

*(2) the impact of the program on the academic progress and social adjustment of the pupils;*

*(3) the level of satisfaction teachers, parents, and pupils have with the program;*

*(4) the effect of the program on the number of referrals for special education, federal chapter 1, and other programs;*

*(5) the amount of time spent by teachers on procedural activities;*

*(6) the increased amount of time the pupil is in a regular education classroom; and*

*(7) cost implications.*

*Subd. 4. [REVIEW FOR EXCESS EXPENDITURES.] The commissioner shall review each application to determine whether the personnel, equipment, supplies, residential aid, and summer school are necessary to meet the district's obligation to provide special instruction and services to handicapped children according to section 120.17. The commissioner shall not approve revenue for any expenditures determined to be unnecessary.*

*Subd. 5. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information described in subdivision 3 and section 124.311, subdivision 7.*

*Subd. 6. [PUPIL RIGHTS.] A pupil participating in the program must be individually evaluated according to the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to procedural protections provided under Public Law Number 94-142 in any matter that affects the identification, evaluation, placement, or change in placement of a pupil. The district must ensure the protection of a pupil's civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply with this subdivision will at least cause a district to become ineligible to participate in the program. Notwithstanding rules of the state board of education, a pupil's rights under this section cannot be waived by the state board.*

*Subd. 7. [REVENUE AVAILABLE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 10, subdivisions 1 and 2, as applicable, multiplied by 1.03. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year*

*multiplied by 1.03.*

*For each fiscal year, the ratio of aid for special education under section 124.32, subdivisions 1b, 2, 5, and 10, to the levy for special education salaries under Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 10, subdivisions 1 and 2, as applicable, shall be the ratio for the fiscal year before the first year of revenue. For fiscal year 1993 and thereafter, a district receiving revenue under this subdivision shall receive special education levy equalization aid as determined under section 10, subdivision 4.*

*For the first fiscal year, aid for a district with an approved program shall not be prorated for the first fiscal year of revenue.*

*For the first three fiscal years, the state shall not pay a district with an approved program any aid under section 124.32, subdivisions 1b, 2, 5, and 10, and the district may not levy under section 10, except for salaries of teachers in secondary vocational handicapped and limited English proficiency programs, deficiencies, and other adjustments.*

*Subd. 8. [USE OF REVENUE.] Revenue under this section shall be used to implement the approved program.*

**Sec. 5. [120.185] [INTERAGENCY EDUCATION-TO-WORK TRANSITION DEMONSTRATION PROJECT.]**

*In order to assist students with severe disabilities, the commissioner of education shall establish statewide interagency education-to-work transition demonstration projects. Grants shall be administered by the interagency office on transition services. Grant money shall be used to develop model interagency service delivery demonstration projects in career assessment and exploration, assist students with the transition from a school environment to a work environment, and provide assessment, on-site training, and support services for students with severe disabilities. All money appropriated for this section must be matched by noneducational community resources. Preference must be given to purchase of services from private nonprofit rehabilitation facilities certified by the department of jobs and training.*

**Sec. 6. Minnesota Statutes 1990, section 124.2711, is amended by adding a subdivision to read:**

**Subd. 5. [RESERVED REVENUE FOR PROGRAMS FOR INDIAN FAMILIES.] (a) This subdivision applies to any school district:**

*(1) in which ten percent or more of the pupils enrolled in elementary or secondary school are enrolled in or eligible for enrollment in a federally recognized Indian tribe; or*

*(2) that has 100 or more pupils enrolled in elementary or secondary school who are enrolled in or eligible for enrollment in a federally recognized Indian tribe.*

*(b) The district shall reserve part of the total revenue it receives according to this section for early childhood family education programs for Indian children and their families. The part to be reserved equals the average expenditure in the district per family participating in early childhood family education programs times the number of Indian families participating in an early childhood family education program.*

*(c) The program shall be designed to improve the skills of parents and promote American Indian history, language, and culture. The district shall*

*make affirmative efforts to encourage participation by fathers. Admission may not be limited to those who are enrolled in or eligible for enrollment in a federally recognized American Indian tribe. Outreach efforts and program development costs may be financed with reserved or unreserved early childhood family education revenue.*

Sec. 7. Minnesota Statutes 1990, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary, ~~calculated from the date of hire,~~ of one full-time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary, ~~calculated from the date of hire,~~ of one-half of a full-time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of ~~64~~ 54.4 percent of the salary or ~~\$17,000~~ \$15,100. The portion for a part-time or limited-time teacher shall be the lesser of ~~64~~ 54.4 percent of the salary or the product of ~~\$17,000~~ \$15,100 times the ratio of the person's actual employment to full-time employment.

Sec. 8. Minnesota Statutes 1990, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts.

(a) *For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or \$16,727 \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or the product of \$16,727 \$15,700 times the ratio of the person's actual employment to full-time employment.*

(b) *For the 1992-1993 school year and thereafter, the portion for a full-time person shall be an amount not to exceed the lesser of 54.4 percent of the salary or \$15,100. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 54.4 percent of the salary or the product of \$15,100 times the ratio of the person's actual employment to full-time employment.*

Sec. 9. Minnesota Statutes 1990, section 124.32, subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] The state shall pay aid for summer school programs for handicapped children on the basis of subdivisions 1b, 1d, and 5 for the ~~preceding~~ current school year. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs.

Sec. 10. [124.321] [SPECIAL EDUCATION LEVY EQUALIZATION REVENUE.]

*Subdivision 1. [LEVY EQUALIZATION REVENUE.] Special education*

levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, for the year to which the levy is attributable; plus

(2) 61 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable; plus

(3) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

**Subd. 2. [REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.]** A special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(2) 61 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

A special education cooperative or an intermediate district that allocates amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

**Subd. 3. [SPECIAL EDUCATION LEVY.]** To obtain special education levy equalization revenue, a district may levy an amount equal to the district's special education levy equalization revenue multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to:

(2) \$3,600.

**Subd. 4. [SPECIAL EDUCATION LEVY EQUALIZATION AID.]** A district's special education levy equalization aid is the difference between the special education levy equalization revenue and the special education levy in subdivision 3. If a district does not levy the entire amount permitted, special education levy equalization aid shall be reduced in proportion to the actual amount levied.

**Subd. 5. [PRORATION.]** If special education levy equalization aid for any year is prorated, a district that has aid prorated may levy an additional

*amount equal to the amount not paid by the state due to proration.*

Sec. 11. Minnesota Statutes 1990, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] ~~For 1989-1990 and later school years,~~ A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a ~~school~~ *fiscal* year equals the sum of the following amounts for each program:

(a) the greater of zero, or ~~75~~ *57* percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program, and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and

(b) ~~30~~ *42* percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 12. Minnesota Statutes 1990, section 124.573, subdivision 3a, is amended to read:

Subd. 3a. [AID FOR CONTRACTED SERVICES.] In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. ~~For the 1986-1987 school year, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. For the 1987-1988 school year, the state shall pay each district or cooperative center 35 percent of the amount of a contract entered into under this subdivision.~~ The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services.

Sec. 13. Minnesota Statutes 1990, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person



employed during that school fiscal year for services rendered in that district or center's secondary vocational education programs for handicapped children.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or ~~\$16,727~~ \$15,700. The portion for a part-time or limited-time person shall be the lesser of ~~60~~ 56.4 percent of the salary or the product of ~~\$16,727~~ \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person shall be an amount not to exceed the lesser of 54.4 percent of the salary or \$15,100. The portion for a part-time or limited-time person shall be the lesser of 54.4 percent of the salary or the product of \$15,100 times the ratio of the person's actual employment to full-time employment.

Sec. 14. Minnesota Statutes 1990, section 124.86, is amended to read:

124.86 [STATE REVENUE FOR AMERICAN INDIAN TRIBAL CONTRACT OR GRANT SCHOOLS.]

Subdivision 1. [AUTHORIZATION.] Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of this chapter and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A.

(b) The school must comply with all other state statutes governing independent school districts.

(c) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, in attendance during the fall count week in average daily membership and (b) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and

operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units *in average daily membership*; and

(4) multiplying the actual pupil units *in average daily membership* by the lesser of \$1,500 or the result in clause (3).

Subd. 3. [~~LAW WAIVER.~~] Notwithstanding subdivision 1, paragraphs (a) and (b), a *tribal contract or grant school*:

(1) is not subject to the Minnesota election law;

(2) has no authority under this section to levy for property taxes, issue and sell bonds, or incur debt; and

(3) may request through its managing tribal organization a recommendation of the state board of education, for consideration of the legislature, that a *tribal contract or grant school* not be subject to specified statutes related to independent school districts.

Subd. 4. [EARLY CHILDHOOD FAMILY EDUCATION REVENUE.] *A school receiving aid under this section is eligible to receive early childhood family education revenue to provide early childhood family education programs for parents and children who are enrolled or eligible for enrollment in a federally recognized tribe. The revenue equals 1.5 times the statewide average expenditure per participant under section 124.2711, times the number of children and parents participating full time in the program. The program shall comply with section 121.882, except that the school is not required to provide a community education program or establish a community education advisory council. The program shall be designed to improve the skills of parents and promote American Indian history, language, and culture. The school shall make affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized tribe.*

Subd. 5. [ELIGIBILITY FOR COMPETITIVE AND DISCRETIONARY GRANTS.] *A tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 may be eligible for any competitive and discretionary grants that the state makes available to school districts. Specific eligibility requirements for a particular grant must be met by the school in order to receive the grant.*

Sec. 15. [125.62] [GRANTS TO PREPARE INDIAN TEACHERS.]

Subdivision 1. [ESTABLISHMENT.] *A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to each of the following:*

(1) *the Duluth campus of the University of Minnesota and independent school district No. 709, Duluth;*

(2) *Bemidji state university and independent school district No. 38, Red Lake;*

(3) *Moorhead state university and one of the school districts located within the White Earth reservation; and*

(4) *Augsburg college and special school district No. 1, Minneapolis.*

*Subd. 2. [APPLICATION.] To obtain a joint grant, a joint application shall be submitted to the state board of education. The application must be developed with the participation of the parent advisory committee, established according to section 126.51, and the Indian advisory committee at the post-secondary institution. The joint application shall set forth:*

*(1) the in-kind, coordination, and mentorship services to be provided by the post-secondary institution; and*

*(2) the coordination and mentorship services to be provided by the school district.*

*Subd. 3. [REVIEW AND COMMENT.] The state board shall submit the joint application to the Minnesota Indian scholarship committee for review and comment.*

*Subd. 4. [GRANT AMOUNT.] The state board may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the post-secondary institution, school district, student scholarships, and student loans.*

*Subd. 5. [INFORMATION TO STUDENT APPLICANTS.] At the time a student applies for a scholarship and loan, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be acquired and periodically updated by the recipients of the joint grant. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student.*

*Subd. 6. [ELIGIBILITY FOR SCHOLARSHIPS AND LOANS.] The following Indian people are eligible for scholarships:*

*(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;*

*(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and*

*(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform methodology for needs determination.*

*A person who has actual living expenses in addition to those addressed by the uniform methodology for needs determination may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.*

*Subd. 7. [LOAN FORGIVENESS.] The loan may be forgiven if the recipient is employed as a teacher, as defined in section 125.12 or 125.17, in an eligible school or program in Minnesota. One-fifth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. The following schools and programs are eligible for the purposes of loan forgiveness:*

*(1) a school or program operated by a school district;*

(2) a tribal contract school eligible to receive aid according to section 124.86;

(3) a head start program;

(4) an early childhood family education program; or

(5) a program providing educational services to children who have not entered kindergarten.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the state board of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the state board and the joint grant recipients, payments shall be deferred.

The loan forgiveness program, loan deferral, and procedures to administer the program shall be approved by the higher education coordinating board.

Subd. 8. [REVOLVING FUND.] *The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the state board of education and shall be used to enable Indian students to participate in the program.*

Sec. 16. Minnesota Statutes 1990, section 126.51, subdivision 1a, is amended to read:

Subd. 1a. [RESOLUTION OF CONCURRENCE.] *Each year by ~~September 15 and June 15 of each school year~~ December 1, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the school board shall respond, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations. Reasons relating to lack of money shall set forth in detail why it is not possible to make reasonable adjustments in expenditures from any of the operating funds of the district or to use net unreserved operating fund balances to implement the recommendations. The resolution and detailed financial information shall be submitted to the department of education and the chair of the parent committee.*

Sec. 17. [126.515] [LONG-RANGE INDIAN EDUCATION PLAN.]

*Any district and any participating school or American Indian school providing programs under sections 126.45 to 126.55 shall develop a long-range plan for the education of American Indians. The plan shall be developed under the direction, advice, evaluation, and monitoring of the parent committee established under section 126.51. The plan shall include:*

(1) a description of the current status of education programs for American

*Indians, including the relationship and role of all available programs and resources for attaining goals;*

*(2) an assessment of the educational needs of American Indians within the district;*

*(3) a listing of district goals for the education of American Indians in the district; and*

*(4) a consideration of the entire scope of district programs and services that affect the educational and culturally related academic needs of American Indian students.*

**Sec. 18. [127.281] [EXCLUSION AND EXPULSION OF HANDICAPPED PUPILS.]**

*When a handicapped pupil who has an individual education plan is excluded or expelled under sections 127.26 to 127.39, the district shall provide special education and related services after a period of suspension, if any, whether or not the misbehavior for which the pupil is being disciplined is a manifestation of the pupil's handicapping condition. The district may initiate a review of the pupil's individual education plan for the purpose of an interim placement or a modification of the pupil's individual education plan.*

**Sec. 19. [128B.011] [PINE POINT SCHOOL GOVERNANCE AND STANDARDS.]**

*Subdivision 1. [GOVERNANCE.] The care, management, and control of Pine Point school is vested in the White Earth reservation tribal council. The council has the same powers and duties as a school board under chapters 120 to 129 and other provisions applicable to school boards. The tribal council may delegate powers and duties for the operation of the school to the Indian education committee. The committee may exercise powers and duties delegated to it.*

*Subd. 2. [STANDARDS.] The school is a public school providing instruction for pupils in kindergarten through the 8th grade. Instruction shall meet the same standards for instruction as are required for other public schools.*

*Subd. 3. [COOPERATION WITH SCHOOL DISTRICTS.] If the council determines it cannot adequately provide certain services, the council shall purchase or share services with one or more school districts or other provider for instruction, administration, or other requirements of operating the school, including curriculum, teachers, support services, supervision, administration, financial accounting and reporting, and other instructional and noninstructional programs. The council is encouraged to cooperate with school districts to increase and improve instructional and support services available to the pupils in the school.*

**Sec. 20. Minnesota Statutes 1990, section 128B.03, is amended by adding a subdivision to read:**

*Subd. 3a. [STATE REVENUES.] The state shall pay to the council for the support of the school all aids, revenues, and grants available to a school district as though the school were a school district. The aids, revenues, and grants include, but are not limited to, the following:*

*(1) general education revenue, as defined in section 124A.22, subdivision 1, including at least compensatory revenue;*

- (2) transportation revenue;
- (3) capital expenditure facilities revenue;
- (4) capital expenditure equipment revenue;
- (5) special education revenue;
- (6) limited English proficiency aid;
- (7) career teacher aid;
- (8) assurance of mastery revenue;
- (9) school lunch revenue;
- (10) school milk revenue;
- (11) health and safety revenue;
- (12) Indian language and culture grants;
- (13) arts planning grants; and
- (14) all other aids, revenues, or grants available to a school district.

*If there are eligibility requirements for an aid, revenue, or grant, the requirements shall be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount of the levy shall be zero.*

*If a school district obtains revenue from the proceeds of a levy, the council shall be deemed to have levied and the state shall pay aid equal to the amount that would have been levied. The amount shall be approved by the commissioner of education.*

*The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable statute.*

Sec. 21. Minnesota Statutes 1990, section 128B.03, subdivision 4, is amended to read:

Subd. 4. ~~[DISTRICT 309 FEDERAL AID.]~~ (a) The school board of independent school district No. 309 must transfer to the council, to the extent permissible, any federal aids or grants which the school district is eligible for or entitled to because of:

- (1) the population in the ~~experimental~~ school attendance area;
- (2) the pupils actually attending the ~~experimental~~ school;
- (3) the program of the ~~experimental~~ school;
- (4) the boundaries of the attendance area of the ~~experimental~~ school; or
- (5) a related reason.

~~(b) For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to Code of Federal Regulations, title 34, section 222.80. The school and the land must not be included, for the purpose of determining federal impact aid, in independent school district No. 309.~~

Sec. 22. Minnesota Statutes 1990, section 128B.03, subdivision 5, is amended to read:

Subd. 5. [~~AUDITS; STATE AUDITOR LAW.~~] The council must have an audit done annually of the accounts of the ~~experimental~~ school. The audit must be finished within one year after the year for which the audit is made. ~~The council is subject to chapter 6, relating to the state auditor.~~

Sec. 23. Minnesota Statutes 1990, section 128B.03, subdivision 7, is amended to read:

Subd. 7. [~~INSURANCE.~~] The council may buy the insurance specified in sections 123.35, subdivision 13, and 123.41. The council must buy insurance to the extent required by chapter 466 and is not liable beyond the extent provided by ~~section 466.12, subdivision 3a~~ *chapter 466*. The term "average number of pupils" in section 466.12, subdivision 3a, means, for this subdivision, the average number of pupils attending the ~~experimental~~ school.

Sec. 24. Minnesota Statutes 1990, section 128B.04, is amended to read:

128B.04 [~~ALL PUPILS IN AREA ARE RESIDENT PUPILS.~~]

~~For chapter 120,~~ A pupil in kindergarten through 8th grade who resides within former independent school district No. 25 is a resident pupil ~~of the experimental school attendance area, as if the area were a school district for the purposes of chapter 120. Pupils enrolled in the school may not be counted by independent school district No. 309 for the purposes of receiving revenue according to chapters 120 to 129.~~

Sec. 25. Minnesota Statutes 1990, section 128B.05, subdivision 2, is amended to read:

Subd. 2. [~~COUNCIL TEACHERS ARE UNIT.~~] Teachers employed by the council are employees of the ~~experimental school~~ *council* and are an "appropriate unit" or a "unit" under chapter 179A, notwithstanding section 179A.03, subdivision 2.

Sec. 26. Minnesota Statutes 1990, section 128B.05, subdivision 3, is amended to read:

Subd. 3. [~~DISTRICT 309 TEACHERS.~~] Teachers employed by the school board of independent school district No. 309 who are assigned by the board to the ~~experimental~~ school remain employees of the board.

Sec. 27. Minnesota Statutes 1990, section 128B.06, subdivision 1, is amended to read:

Subdivision 1. [~~EDUCATION CODE.~~] The management of the ~~experimental~~ school by the council is governed by the education code and other law affecting ~~public~~ school districts.

Sec. 28. Minnesota Statutes 1990, section 128B.08, is amended to read:

128B.08 [~~REPORTS TO LEGISLATURE.~~]

Before December 1 of each year the council must submit a report to the legislature on the ~~experimental~~ school established by this chapter. The report must document the success or failure of the ~~experimental~~ school.

Sec. 29. Minnesota Statutes 1990, section 128B.09, is amended to read:

128B.09 [~~END OF EXPERIMENT; TRANSFER BACK TO DISTRICT 309.~~]

At any time ~~before July 1, 1991,~~ the ~~experimental~~ status of the school

may be ~~ended on~~ *closed* by unanimous vote of the ~~officers~~ of the *tribal* council and 30 days' notice to the school board of independent school district No. 309. ~~Then~~ The school board of independent school district No. 309 ~~must resume management of the entire district~~ shall assume responsibility for the pupils in the school on the next July 1.

Sec. 30. Minnesota Statutes 1990, section 128B.10, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION.] This chapter is repealed July 1, ~~1991~~ 1993.

Sec. 31. Minnesota Statutes 1990, section 128B.10, subdivision 2, is amended to read:

Subd. 2. [STATE AUDIT.] The state auditor shall conduct an audit of the school's finances for *each even-numbered fiscal years 1989 and 1990 year without charge to the school. A preliminary or, if completed, a final* The report for *fiscal year 1989 of each audit* shall be submitted by ~~February 15, 1990,~~ to the White Earth reservation tribal council, the Pine Point Indian education committee, ~~and the commissioner of education committees of the legislature, and the legislative reference library.~~

Sec. 32. [CAPITAL EXPENDITURE REVENUE TRANSFER.]

*Independent school district No. 309, Park Rapids, shall pay to the White Earth reservation tribal council capital expenditure facilities revenue and capital expenditure equipment revenue that the school district received as a result of including the pupils enrolled in Pine Point school in the school district's pupil count for those revenues. By June 30, 1991, Park Rapids shall pay the amount attributable to fiscal years 1988, 1989, 1990, and 1991. The amounts attributable to fiscal years before 1988 shall be paid according to a schedule agreed upon by the tribal council and the school board. The amounts to be paid shall reflect total revenue and not state aid.*

*Upon request of the tribal council or the school district, the amounts to be paid shall be approved by the state board of education.*

Sec. 33. [STATE AUDITOR'S BILLING FOR PINE POINT SCHOOL.]

*The state auditor may not bill the White Earth tribal council or the Pine Point Indian education committee for the costs or expenses of audits conducted of the school's finances for fiscal years 1989 and 1990. Any bills for the audits shall not be paid by the tribal council or the Indian education committee.*

Sec. 34. [ESTABLISHMENT OF REVOLVING FUND AND APPLICABILITY OF LOAN REPAYMENTS.]

*All loan repayments made by a person according to Laws 1989, chapter 329, article 3, section 22, shall be deposited in the Indian teacher preparation loan repayment revolving fund by the commissioner of finance.*

Sec. 35. [1992 SPECIAL EDUCATION LEVY ADJUSTMENT.]

*A district's maximum special education levy for fiscal year 1992 equals the district's special education levy revenue for fiscal year 1992 according to the provisions in this article for special education levy equalization revenue. A district may levy for taxes payable in 1992 an amount equal to the difference between its maximum special education levy for fiscal year 1992 and the amount it levied for taxes payable in 1991 under Minnesota*



*Statutes, section 275.125, subdivision 8c. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.*

Sec. 36. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall change the phrase "handicapped child" to "child with a disability" wherever it appears in the education code.*

Sec. 37. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 124.32:*

\$167,105,000 . . . . . 1992

\$165,271,000 . . . . . 1993

*The 1992 appropriation includes \$24,996,000 for 1991 and \$142,109,000 for 1992.*

*The 1993 appropriation includes \$25,078,000 for 1992 and \$140,193,000 for 1993.*

*Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries, for whom no district of residence can be determined:*

\$395,000 . . . . . 1992

\$436,000 . . . . . 1993

*If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.*

*Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:*

\$4,885,000 . . . . . 1992

\$4,800,000 . . . . . 1993

*The 1992 appropriation is for 1991 summer programs.*

*The 1993 appropriation is for 1992 summer programs.*

*Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:*

\$66,000 . . . . . 1992

\$71,000 . . . . . 1993

*The 1992 appropriation includes \$7,000 for 1991 and \$59,000 for 1992.*

*The 1993 appropriation includes \$10,000 for 1992 and \$61,000 for 1993.*

*Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid according to Minnesota Statutes, section 124.32, subdivision 5:*

\$2,315,000 . . . . . 1992

\$2,535,000 . . . . . 1993

*Subd. 7. [SPECIAL EDUCATION LEVY EQUALIZATION AID.] For special education levy equalization aid:*

\$9,495,000 . . . . . 1993

*The 1993 appropriation includes \$0 for 1992 and \$9,495,000 for 1993.*

*Subd. 8. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:*

\$12,410,000 . . . . . 1992

\$12,784,000 . . . . . 1993

*The 1992 appropriation includes \$1,751,000 for 1991 and \$10,659,000 for 1992.*

*The 1993 appropriation includes \$1,881,000 for 1992 and \$10,903,000 for 1993.*

*Subd. 9. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:*

\$3,727,000 . . . . . 1992

\$3,922,000 . . . . . 1993

*The 1992 appropriation includes \$512,000 for 1991 and \$3,215,000 for 1992.*

*The 1993 appropriation includes \$567,000 for 1992 and \$3,355,000 for 1993.*

*Subd. 10. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:*

\$1,600,000 . . . . . 1992

\$1,600,000 . . . . . 1993

*Any unexpended balance remaining in the first year does not cancel but is available in the second year.*

*Subd. 11. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:*

\$857,000 . . . . . 1992

\$857,000 . . . . . 1993

*Any unexpended balance remaining in the first year does not cancel but is available in the second year.*

*Subd. 12. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:*

\$591,000 . . . . . 1992

\$590,000 . . . . . 1993

*The 1992 appropriation includes \$89,000 for 1991 and \$502,000 for 1992.*

*The 1993 appropriation includes \$88,000 for 1992 and \$502,000 for 1993.*

*Any unexpended balance remaining in the first year does not cancel but is available in the second year.*

*Subd. 13. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts:*

\$175,000 . . . . . 1992

\$175,000 . . . . . 1993

*The 1992 appropriation includes \$26,000 for 1991 and \$149,000 for 1992.*

*The 1993 appropriation includes \$26,000 for 1992 and \$149,000 for 1993.*

*These appropriations are available for expenditure with the approval of the commissioner of education.*

*The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.*

*Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts shall be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.*

*Before a district or school can receive money under this subdivision, the district or school must submit to the commissioner of education evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.*

*Subd. 14. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:*

\$190,000 . . . . . 1992

\$190,000 . . . . . 1993

*Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.*

*Up to \$40,000 each year is for a joint grant to each of the following:*

- (1) Bemidji state university and the Red Lake school district;*
- (2) Moorhead state university and a school district located within the White Earth reservation; and*
- (3) Augsburg college and the Minneapolis school district.*

*Each post-secondary institution and school district may receive up to*

*\$2,000 each year as its share of the joint grant. Scholarships and loans for students shall be awarded in amounts that allow the maximum number of students to participate.*

*Any unexpended balance remaining the first year does not cancel but is available in the second year.*

**Subd. 15. [TRIBAL CONTRACT SCHOOLS.]**

*For tribal contract school aid according to Minnesota Statutes, section 124.86:*

\$760,000 . . . . . 1992

\$760,000 . . . . . 1993

**Subd. 16. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.]** *For early childhood family education programs at tribal contract schools:*

\$68,000 . . . . . 1992

\$68,000 . . . . . 1993

**Subd. 17. [SECONDARY VOCATIONAL EDUCATION AID.]** *For secondary vocational education aid according to Minnesota Statutes, section 124.573:*

\$11,452,000 . . . . . 1992

\$11,977,000 . . . . . 1993

*The 1992 appropriation includes \$1,758,000 for 1991 and \$9,694,000 for 1992.*

*The 1993 appropriation includes \$1,710,000 for 1992 and \$10,267,000 for 1993.*

**Subd. 18. [SECONDARY VOCATIONAL EDUCATION; PUPILS WITH DISABILITIES.]** *For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:*

\$4,690,000 . . . . . 1992

\$4,598,000 . . . . . 1993

*The 1992 appropriation includes \$729,000 for 1991 and \$3,961,000 for 1992.*

*The 1993 appropriation includes \$699,000 for 1992 and \$3,899,000 for 1993.*

**Subd. 19. [PARENT-TO-PARENT SUPPORT PROGRAM GRANTS.]** *For grants for parent-to-parent support programs:*

\$60,000 . . . . . 1992

\$60,000 . . . . . 1993

**Subd. 20. [STUDENT HEALTH NEEDS STUDY.]** *For a study on the health needs of Minnesota students:*

\$20,000 . . . . . 1992

*The commissioner of education shall conduct a study on the health needs of Minnesota students, including a census of children who have not entered*

kindergarten and students with chronic health conditions that require medical technology or pharmacology for the functioning of one or more body systems, including, but not limited to, tracheostomy suctioning, gastronomy tube feedings, urinary catheterizations, management of seizure disorders, and colostomy care. The study shall include current levels of staffing, the levels of staffing necessary to meet the health needs of these students, the costs associated with providing both levels of staffing, and alternatives, consistent with federal law, for providing services to meet the health needs of these students. The study shall also include a review and recommendations about the proposed curricula and standards for the training and functioning of nursing assistants, as defined in Minnesota Statutes, section 148.171, clause (7), who may be working either as employees of or according to a contract with a school district. The study shall include a review by qualified medical professionals of the appropriate school staff to be performing the procedures identified in the study. The results of the study shall be reported to the legislature by February 1, 1992.

Subd. 21. [INTERAGENCY EDUCATION-TO-WORK TRANSITION.] For interagency education-to-work transition demonstration projects:

\$500,000 . . . . . 1992

The commissioner shall develop two demonstration projects in fiscal year 1992 and three demonstration projects in fiscal year 1993.

The appropriation shall be available until June 30, 1993.

Subd. 22. [COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.] For grants throughout the state to develop programs to provide education-to-community living services for youths with disabilities:

\$500,000 . . . . . 1992

The appropriation shall be available until June 30, 1993.

Subd. 23. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid:

\$1,068,000 . . . . . 1992

The 1992 appropriation includes \$1,068,000 for 1991.

Sec. 38. [REPEALER.]

Minnesota Statutes 1990, sections 124.331; 124.332; 124.333; 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; and 275.125, subdivision 8c, are repealed.

Sec. 39. [EFFECTIVE DATE.]

Section 10 is effective for revenue for fiscal year 1993 and thereafter. Section 15, subdivision 8, is effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1990, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities, *as part of a youth service program*, for trained secondary school pupils to work with younger children in a supervised setting ~~as part of a community service program and receive credit toward the youth service requirement of a district.~~

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The school board of the district shall develop standards for school age child care programs. The state board of education may not adopt rules for extended day programs.

Sec. 2. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

*Subd. 7a. [ALTERNATIVE COUNCIL.] A school board may direct the community education council, required according to section 121.88, subdivision 2, to perform the functions of the advisory council for early childhood family education.*

Sec. 3. Minnesota Statutes 1990, section 123.706, subdivision 6, is amended to read:

Subd. 6. [DEVELOPMENTAL SCREENING.] Developmental screening, according to subdivision 4, clause (1), must be ~~conducted~~ *supervised* by an individual who is licensed as, or has the equivalent training of, a special education teacher, school psychologist, kindergarten teacher, pre-kindergarten teacher, school nurse, public health nurse, registered nurse, or physician. The individual may be a volunteer.

Sec. 4. Minnesota Statutes 1990, section 123.707, subdivision 1, is amended to read:

Subdivision 1. [AID AVAILABILITY.] Screening aid shall be paid to a district meeting the requirements of section ~~123.702~~ *or* 123.706.

Sec. 5. Minnesota Statutes 1990, section 123.707, subdivision 2, is amended to read:

Subd. 2. [~~AID FOR THREE YEAR OLD CHILDREN~~ *EARLY CHILDHOOD SCREENING.*] Health and developmental screening aid ~~for a three year old screened~~ is the following:

(a) for a child who is enrolled in the medical assistance program or the children's health plan, \$4;

(b) for a child who is covered by a private medical insurance plan that will reimburse the district for some or all of the cost of screening the child, the difference between the amount of eligible reimbursement and ~~\$30~~ *\$35*, plus \$4; and

(c) for all others, ~~\$30~~ *\$35*.

Sec. 6. Minnesota Statutes 1990, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] To receive aid under this section,

a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

*Adult basic education programs may be approved under this subdivision for up to two years. Two-year program approval shall be granted to an applicant who has demonstrated the capacity to:*

*(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;*

*(2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:*

*(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;*

*(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;*

*(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and*

*(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;*

*(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;*

*(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can*

*attain economic self-sufficiency;*

*(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;*

*(6) participate in regional adult basic education peer program reviews and evaluations; and*

*(7) submit accurate and timely performance and fiscal reports.*

Sec. 7. Minnesota Statutes 1990, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic ~~and continuing~~ education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic ~~and continuing~~ education programs. In no case shall federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Sec. 8. [124.2605] [GED TEST FEES.]

*The commissioner of education shall pay the costs of a GED test taken by an eligible individual. The state board of education shall adopt rules defining eligibility for the purposes of this section.*

Sec. 9. Minnesota Statutes 1990, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Adult high school graduation aid for eligible pupils age 21 or over, equals 65 percent of the general education formula allowance times ~~1.3~~ 1.3 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Pupils age 21 or over may not be counted by the district for any purpose other than adult high school graduation aid.

Sec. 10. Minnesota Statutes 1990, section 124.2711, is amended to read:

124.2711 [EARLY CHILDHOOD FAMILY EDUCATION AID REVENUE.]

Subdivision 1. [~~MAXIMUM REVENUE.~~] ~~(a) The maximum revenue for early childhood family education programs for the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the preceding school year.~~

~~(b) For 1991 and later fiscal years, The maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$87.75 \$93.50 for fiscal year 1992 or \$100 for fiscal year 1993 times the greater of:~~

~~(1) 150; or~~

~~(2) the number of people under five years of age residing in the school district on September 1 of the last school year.~~

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section



120.095 may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

*Subd. 2a. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of .54 percent for fiscal year 1992 and .596 percent for fiscal year 1993 and thereafter, times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.*

*Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:*

*(a) the difference between the ~~maximum~~ early childhood family education revenue, according to ~~subdivision 1,~~ and the ~~permitted~~ early childhood family education levy ~~attributable to the same school year, according to section 275.125, subdivision 8b,~~ times*

*(b) the ratio of the district's actual levy to its ~~permitted~~ levy attributable to the same school year, according to section 275.125, subdivision 8b.*

*In fiscal year 1990 only, a district receiving early childhood family education aid under this subdivision or levy under section 275.125, subdivision 8b, shall receive an additional amount of aid equal to \$.95 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the last school year. If the district does not levy the entire amount permitted, the early childhood family education aid shall be reduced in proportion to the actual amount levied.*

*Subd. 4. [USE OF REVENUE RESTRICTED.] ~~The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall~~ Early childhood family education revenue may be used only for early childhood family education programs. *The increase in revenue for fiscal years 1992 and 1993 shall be used to increase the number of families participating in early childhood family education programs.**

Sec. 11. Minnesota Statutes 1990, section 124.2713, subdivision 1, is amended to read:

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a district's general community education revenue; ~~youth development plan revenue;~~ and youth service program revenue.

Sec. 12. Minnesota Statutes 1990, section 124.2713, subdivision 3, is amended to read:

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] ~~For fiscal year 1991 and thereafter,~~ The general community education revenue

for a district equals \$5.95 times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Sec. 13. Minnesota Statutes 1990, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals ~~25~~ 75 cents for fiscal year 1992 and 94 cents for fiscal year 1993 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 14. Minnesota Statutes 1990, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a tax rate of 1.07 percent for fiscal year 1992 and 1.085 percent for fiscal year 1993 and thereafter, times the adjusted net tax capacity of the district ~~for taxes payable in 1994 and thereafter~~. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 15. Minnesota Statutes 1990, section 124.2713, subdivision 9, is amended to read:

Subd. 9. [USE OF YOUTH SERVICE REVENUE.] Youth ~~development service~~ revenue may be used ~~only~~ to implement ~~the~~ a youth development plan approved by the school board. ~~Youth service revenue may be used only and to provide a youth service program according to section 121.88, subdivision 9.~~

Sec. 16. Minnesota Statutes 1990, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who is between the ages of 12 and 16, except as indicated in clause (6), and who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant

or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(d) any person who is at least 21 years of age and who:

(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;

(2) has ~~already completed the studies ordinarily required in the 10th grade at least an eighth grade competency level~~ but has not completed the requirements for a high school diploma or the equivalent; and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.

(e) an elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.

Notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

Sec. 17. Minnesota Statutes 1990, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) (1) A pupil who is eligible under subdivision 2, clause (a), (b), (c), or (e), may enroll part time or full time in any nonprofit, nonpublic, non-sectarian school that has contracted with the school district of residence to provide educational services.

(2) A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (b) or (c), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this paragraph, may transfer to any nonprofit,

*nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services.*

~~(e) An A pupil who is eligible institution providing eligible programs as defined in this under subdivision 2, clause (c) or (d), may contract with an entity providing enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88 for actual program costs.~~

Sec. 18. 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:

~~(1) an eligible pupil under subdivision 2 to enroll in a nonresident district that has any eligible program in a nonresident district under subdivision 3 or an area learning center established under section 124C.45; or~~

~~(2) an eligible pupil under subdivision 2, clause (c) or (d), to enroll in an adult basic education program approved under section 124.26.~~

Sec. 19. Minnesota Statutes 1990, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] For a pupil attending an eligible program ~~full time~~ under subdivision 3, paragraph (d), the department of education shall pay ~~85 88~~ percent of the basic revenue of the district to the eligible program and ~~45 12~~ percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. ~~For a pupil attending an eligible program part time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly.~~ A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.

Sec. 20. Minnesota Statutes 1990, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least ~~85 88~~ percent of the basic revenue of the district for each pupil attending the program ~~full time~~. ~~For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly.~~ Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. ~~A district may not receive more than 12 percent of the basic revenue of the district for a full-time pupil or a pro rata amount for a part-time pupil.~~ If payment is made to a district or program for a pupil under this

section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 21. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26:*

\$ 7,199,000 . . . . . 1992

\$ 7,446,000 . . . . . 1993

*The 1992 appropriation includes \$761,000 for 1991 and \$6,438,000 for 1992.*

*The 1993 appropriation includes \$1,136,000 for 1992 and \$6,310,000 for 1993.*

*Up to \$300,000 in 1992 and \$300,000 in 1993 may be used for contracts with private, nonprofit organizations for approved programs.*

*Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:*

\$ 670,000 . . . . . 1992

\$ 670,000 . . . . . 1993

*Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:*

\$ 3,636,000 . . . . . 1992

\$ 3,559,000 . . . . . 1993

*The 1992 appropriation includes \$498,000 for 1991 and \$3,138,000 for 1991.*

*The 1993 appropriation includes \$552,000 for 1992 and \$3,007,000 for 1993.*

*Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:*

\$12,384,000 . . . . . 1992

\$12,631,000 . . . . . 1993

*The 1992 appropriation includes \$1,549,000 for 1991 and \$10,835,000 for 1992.*

*The 1993 appropriation includes \$1,912,000 for 1992 and \$10,719,000 for 1993.*

*Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, section 123.707:*

\$ 2,021,000 . . . . . 1992

\$ 1,879,000 . . . . . 1993

*The 1992 appropriation includes \$86,000 for 1991 and \$1,935,000 for 1992.*

*The 1993 appropriation includes \$342,000 for 1992 and \$1,537,000 for 1993.*

*Any unexpended balance in the first year does not cancel but is available in the second year.*

*Subd. 7. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:*

\$ 70,000 . . . . . 1992

\$ 70,000 . . . . . 1993

*Subd. 8. [ADULT GRADUATION AID.] For adult graduation aid:*

\$ 1,331,000 . . . . . 1992

\$ 1,364,000 . . . . . 1993

*The 1992 appropriation includes \$171,000 for 1991 and \$1,160,000 for 1992.*

*The 1993 appropriation includes \$204,000 for 1992 and \$1,160,000 for 1993.*

*Subd. 9. [GED AND LEARN TO READ ON TV AID.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:*

\$ 100,000 . . . . . 1992

\$ 100,000 . . . . . 1993

*Subd. 10. [GED TEST FEES.] For payment of GED test fees:*

\$ 300,000 . . . . . 1993

Sec. 22. [REPEALER.]

*Minnesota Statutes 1990, sections 123.701; 123.702; 123.704; 123.706, subdivision 3a; 123.707, subdivision 3; 124.2713, subdivision 4; and 275.125, subdivision 8b, are repealed.*

ARTICLE 5

FACILITIES AND EQUIPMENT

Section 1. Minnesota Statutes 1990, section 124.83, subdivision 3, is amended to read:

Subd. 3. [HEALTH AND SAFETY REVENUE.] A district's health and safety revenue for a fiscal year equals:

(1) the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, minus

(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the district's health and safety revenue under this subdivision, for years before the fiscal year to which the levy is attributable, plus (c) the amount of other federal, state, or local receipts for the district's

hazardous substance or health and safety programs for fiscal year 1985 through the fiscal year to which the levy is attributable.

*The department shall not approve revenue under this section to the extent a district actually receives reimbursement under section 115C.09.*

Sec. 2. Minnesota Statutes 1990, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing (a) ~~the adjusted gross tax capacity for fiscal year 1991, and (b) the adjusted net tax capacity for 1992 and later fiscal years,~~ of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~\$7,103.60 for fiscal year 1991 and \$5,304 for 1992 and later fiscal years \$3,515.~~

Sec. 3. [124.84] [HANDICAPPED ACCESS AND FIRE SAFETY IMPROVEMENTS TO SCHOOL BUILDINGS.]

*Subdivision 1. [REMOVAL OF ARCHITECTURAL BARRIERS.] If a school board has insufficient money in its capital expenditure fund to remove architectural barriers from a building it owns in order to allow a pupil to attend a school in the pupil's attendance area or to meet the needs of an employee with a disability, a district may submit an application to the commissioner of education containing at least the following:*

(1) *program modifications that the board considered, such as relocating classrooms, providing an accessible unisex bathroom, providing alternative library resources, or using special equipment, such as bookcarts, and the reasons the modifications were not feasible;*

(2) *a description of the proposed building modifications and the cost of the modifications; and*

(3) *the age and market value of the building.*

*Individuals developing an application for a school district shall complete a workshop, developed jointly by the commissioner of education and the council on disability, about access criteria.*

*In consultation with the council on disability, the commissioner shall develop criteria to determine the cost effectiveness of removing barriers in older buildings.*

*The commissioner shall approve or disapprove an application within 60 days of receiving it. Before approving or disapproving the application, the commissioner shall consult with the council on disability to assure that the proposed modifications are the most appropriate and cost effective method of providing the needed access for the building. The council on disability shall be reimbursed by the commissioner for the consultation it provides.*

Subd. 2. [FIRE SAFETY MODIFICATIONS.] *If a school district has insufficient money in its capital expenditure fund to make modifications to a school building required by a fire inspection conducted according to section 121.1502, the district may submit an application to the commissioner*

*of education containing information required by the commissioner. The commissioner shall approve or disapprove of the application according to criteria established by the commissioner. The criteria shall take into consideration the cost effectiveness of making modifications to older buildings.*

*Subd. 3. [LEVY AUTHORITY.] The district may levy up to \$250,000 each year for two years, as approved by the commissioner.*

Sec. 4. Minnesota Statutes 1990, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12 ~~or~~; special education for handicapped children ~~or~~; adult basic and continuing education as described in section 124.26; *preschool and early childhood family education; or community education programs*, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 5. Minnesota Statutes 1990, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. ~~[EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS TO LEASE A BUILDING AND LAND.]~~ When a district finds it economically advantageous to rent or lease a building *or land* 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 *or land*, 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 *or land* 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.

Sec. 6. [ST. PAUL DISTRICT BONDS.]

*Subdivision 1. [NOTICE.] Before voting to issue bonds according to subdivision 2, a school board must prepare and have delivered by mail a notice of the public meeting on the proposed sale of newly authorized bonds to each postal patron residing within the school district. The notice must*



*be mailed at least 15 days but not more than 30 days prior to the scheduled date of the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published in the official newspaper of the city in which the school district is located twice during the 14 days preceding the date of the meeting.*

*The notice must contain the following information:*

- (1) the proposed amount of bonds to be issued;*
- (2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;*
- (3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;*
- (4) the projected effects on individual property types. The notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district; and*
- (5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).*

*Subd. 2. [BONDING AUTHORIZATION.] To provide funds to acquire or better facilities, independent school district No. 625 may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series in calendar years 1992 through 1996 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar year 1992 may not exceed \$12,500,000 and, for calendar years 1993 through 1996, may not exceed \$9,000,000 for each such calendar year. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 625, the first sentence of Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section shall be disregarded in calculating the bonding limit of Minnesota Statutes, chapter 124, or any other law other than Minnesota Statutes, section 475.53, subdivision 4.*

*Subd. 3. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 may levy a tax annually in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or any other law.*

*Subd. 4. [EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 7. [HEALTH AND SAFETY LEVY ADJUSTMENT.]**

*The department of education shall adjust the 1991 payable 1992 levy for each school district or intermediate district by the amount of the change in*

*the district's health and safety levy for fiscal year 1992 according to Minnesota Statutes, section 124.83, subdivision 4, resulting from the change to the health and safety equalizing factor. Notwithstanding Minnesota Statutes, section 121.904, the entire amount levied shall be recognized as revenue for fiscal year 1992.*

**Sec. 8. [HUTCHINSON SCHOOL DISTRICT LEASE PURCHASE LEVY.]**

*Notwithstanding Minnesota Statutes, section 275.125, or other law, independent school district No. 423, Hutchinson, may levy each year for the annual payments required on a lease purchase agreement for a facility for level V emotionally and behaviorally disturbed special education students.*

**Sec. 9. [APPROPRIATIONS.]**

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:*

\$73,185,000 . . . . . 1992

\$72,496,000 . . . . . 1993

*The 1992 appropriation includes \$10,920,000 for 1991 and \$62,265,000 for 1992.*

*The 1993 appropriation includes \$10,988,000 for 1992 and \$61,508,000 for 1993.*

*Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:*

\$36,593,000 . . . . . 1992

\$36,247,000 . . . . . 1993

*The 1992 appropriation includes \$5,460,000 for 1991 and \$31,133,000 for 1992.*

*The 1993 appropriation includes \$5,493,000 for 1992 and \$30,754,000 for 1993.*

*Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:*

\$11,560,000 . . . . . 1992

\$11,351,000 . . . . . 1993

*The 1992 appropriation includes \$1,650,000 for 1991 and \$9,910,000 for 1992.*

*The 1993 appropriation includes \$1,748,000 for 1992 and \$9,603,000 for 1993.*

*For fiscal year 1993, total health and safety revenue may not exceed \$58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate between the number of pupils in*

and the geographic location of school districts.

*If a district's program expenditures for fiscal year 1993 are reduced, the expenditures must not be reduced below the revenue amount the district received for fiscal year 1992.*

*Subd. 5. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:*

*\$ 5,851,000 . . . . . 1993*

*These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel to the general fund.*

*Subd. 6. [LAKEVIEW PROGRAM GRANT.] For a grant to independent school district No. 518, Worthington:*

*\$ 25,000 . . . . . 1992*

*The grant is for planning the construction of new residential facilities for the Lakeview program for handicapped students. The grant must be matched with money from nonstate sources.*

*The appropriation is available until June 30, 1992.*

**Sec. 10. [EFFECTIVE DATE.]**

*Section 3 is effective the day following final enactment.*

**ARTICLE 6**

**EDUCATION ORGANIZATION AND COOPERATION**

**Section 1.** Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

*Subd. 5a. [DISTRICT COMPUTING SUBSIDIES.] The appropriation for regional management information centers shall be allocated among the centers according to the allocation for fiscal year 1991. Any part of the appropriation for fiscal year 1991 that was not distributed directly to the centers shall be added to the allocation according to the proportions each center received for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:*

*(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the center; times*

*(2) the allocation for the center of which the district is a member.*

*The payment shall be used by the district to purchase services from a regional management information center, another school district, or other*

*provider, or to provide the services. The payment shall be deposited in the district's capital expenditure fund.*

Sec. 2. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

*Subd. 7. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] No district shall be required by an agreement or otherwise to participate in or provide financial support for a regional center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the regional center before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the obligation or debt is discharged.*

Sec. 3. Minnesota Statutes 1990, section 122.241, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 122.241 to 122.248 establish procedures for school boards that adopt, by resolution, a five-year written agreement:

- (1) to provide at least secondary instruction cooperatively for at least one or two years, *if the districts cooperate according to subdivision 2*; and
- (2) to combine into one district ~~after cooperating~~.

Sec. 4. Minnesota Statutes 1990, section 122.241, subdivision 2, is amended to read:

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

- (1) implement a written agreement according to section 122.541 no later than the first year of cooperation;
- (2) all be members of one education district, if any one of the districts is a member, no later than the end of the second year of cooperation; and
- (3) all be members of one ECSU, if any one of the districts is a member.

*Clause (1) does not apply to a district that implemented an agreement for secondary education, according to section 122.535, during any year before the 1991-1992 school year. If the districts cooperate for one or more years, the agreement may be continued during those years.*

Sec. 5. Minnesota Statutes 1990, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) ~~whether the method determined by the districts to levy for debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds which may include continuation of previous debt service levies or a reallocation of some or all of the debt service levies;~~

(2) *whether obligations for a capital loan outstanding at the time of combination remain solely with the district that obtained the capital loan*

*or whether the capital loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the capital loan;*

(3) the treatment of debt service levies, *maximum effort debt service levies*, and referendum levies;

~~(3)~~ (4) two-, five-, and ten-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 6. Minnesota Statutes 1990, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] ~~During the first or second year of cooperation.~~ A referendum on the question of combination shall be conducted *during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate.* The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, ~~the same question may not be submitted~~ *districts shall modify their cooperation and combination plan. A different question* ~~third referendum may be submitted~~ *conducted* on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 7. Minnesota Statutes 1990, section 122.247, is amended by adding a subdivision to read:

Subd. 2a. [CAPITAL LOAN.] *The combined school board may levy for the obligations for a capital loan outstanding at the time of combination, consistent with the plan adopted according to section 122.242 and any subsequent modifications. The primary obligation to levy as required by the capital loan remains with taxable property in the preexisting district that obtained the capital loan. However, the obligation of a capital loan may be extended to all of the taxable property in the combined district.*

Sec. 8. Minnesota Statutes 1990, section 122.94, is amended by adding a subdivision to read:

Subd. 1a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] *No school district shall be required by an agreement or otherwise to be a member of, participate in, or provide financial support for any services or activities of the education district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, a provision in an agreement to effectuate section 122.937 may bind the districts only for the period of time agreed to by the districts.*

*This subdivision shall not affect the continued liability of a school district for its share of debt incurred by the education district board before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the debt is discharged.*

Sec. 9. Minnesota Statutes 1990, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] ~~For 1991-1992 and later school years,~~ The agreement ~~must require~~ *may include provisions to implement* a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar ~~must may include at least~~ the following:

- (1) the number of days of instruction;
- (2) the first and last days of instruction in a school year; and
- (3) the specific days reserved for staff development.

~~Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.~~

Sec. 10. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

*Subd. 19. [LIMITATION ON ALL AGREEMENTS.] No district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for any purpose related to the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability for its share of bonded indebtedness or other debt incurred as a result of an agreement before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the obligation or debt is discharged.*

Sec. 11. Minnesota Statutes 1990, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, of the center board, and of the state board of education, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

*No district shall be required by an agreement or otherwise to participate in or provide financial support for any services or activities of the center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of the district for the following:*

- (1) *bonds issued by the district according to subdivision 4, paragraph (a), and outstanding on the effective date of this section;*
- (2) *assessments according to subdivision 4, paragraph (c), required before the effective date of this section; and*
- (3) *administrative, planning, operating, or capital expenditures, according to subdivision 5, paragraph (b), that were required before the effective date of this section.*

*A district shall fulfill the responsibilities set forth in clauses (1), (2), and (3) incurred before the effective date of this section but only according to the payment schedule in effect on the effective date of this section and only until the responsibilities are discharged.*

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective ~~at the end of the next following school year~~ *July 1* but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 12. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

*Subd. 4a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] No district shall be required by an agreement or otherwise to be a member of, participate in, or provide financial support for ECSU services or activities for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of a district for its share of debt incurred by the ECSU before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the debt is discharged.*

Sec. 13. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

*Subd. 9a. [ALLOCATION OF STATE APPROPRIATION.] The appropriation for ECSUs shall be allocated among the ECSUs according to the allocation for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:*

- (1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the ECSU; times*
- (2) the allocation for the ECSU of which the district is a member.*

*The payment shall be used by the district to purchase educational services from an ECSU, another school district, or other provider, or to provide other educational services.*

Sec. 14. Minnesota Statutes 1990, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] ~~An education~~ *A school district is eligible for education district revenue if the department certifies that it meets the requirements of sections 122.91, subdivisions 3 and 4, and 122.945 the district certified a levy for education district revenue in 1991 for taxes payable in 1992.* The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 15. Minnesota Statutes 1990, section 124.2721, subdivision 2, is

amended to read:

Subd. 2. [REVENUE.] ~~Each year the education district board shall certify to the department of education the amount of education district revenue to be raised. Education district revenue shall be the lesser of:~~

(1) ~~the amount certified by the education district board; or~~

(2) ~~the sum of:~~

(i) ~~\$60 in basic education district revenue; and~~

(ii) ~~\$50 for education districts authorized to receive revenue under Laws 1990, chapter 562, article 6, section 36, subdivision 2;~~

~~times the actual pupil units in the education district \$48 times the number of pupil units in the district.~~

Sec. 16. Minnesota Statutes 1990, section 124.2721, subdivision 3, is amended to read:

Subd. 3. [LEVY.] The education district levy *for a school district* is equal to the following:

(1) *the sum of the education district revenue according to subdivision 2 for all member school districts of the education district,* times

(2) the lesser of

(a) one, or

(b) *the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to ~~an~~ the amount equal to the sum of subdivision 2, clause (2); items (i) and (ii); for which the education district is eligible in clause (1) divided by 1.87 percent,* times

(3) *the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.*

~~The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.~~

Sec. 17. Minnesota Statutes 1990, section 124.2721, subdivision 4, is amended to read:

Subd. 4. [AID.] ~~The aid for an~~ Education district aid equals *its the* education district revenue minus *its the* education district levy, times the ratio of the actual amount levied to the permitted levy. *If the permitted education district levy exceeds the education district revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.*

Sec. 18. Minnesota Statutes 1990, section 124.2721, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] Education district revenue is ~~under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section~~



~~122.94.~~

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five-year plan under section ~~122.945~~. shall be used only for one or more of the following purposes:

(1) purchase educational programs offered by another school district, education district, secondary vocational cooperative, special education cooperative, intermediate school district, joint powers board, or an ECSU;

(2) provide educational programs offered by an education district;

(3) provide additional revenue for early childhood family education programs, head start programs, or other educational programs for children who have not entered kindergarten;

(4) provide additional revenue for early childhood health and developmental screening or other health services for children from birth through 12th grade;

(5) provide services needed by pupils described in section 126.22 or children of any age who have characteristics, as designated by the district, that may interfere with learning and developing;

(6) provide secondary course offerings if the courses have specific learner outcomes and teachers participate in determining the outcomes;

(7) provide preparation time for elementary teachers or additional revenue for staff development for outcome-based education or site-based decision making;

(8) provide revenue for expenditures related to interdistrict cooperation according to section 122.541, agreements for secondary education according to section 122.535, additional revenue for cooperation and combination according to sections 122.241 to 122.248, dissolution and attachment according to section 122.22, or consolidation according to section 122.23;

(9) provide additional revenue for education programs for adults to earn high school diplomas or equivalency certificates;

(10) collaborate with local health and human service agencies to provide comprehensive and coordinated services for children and families;

(11) implement a career teacher program according to sections 124C.27 to 124C.31;

(12) provide extended day programs for children in elementary school;

(13) pay fees charged by a regional management information center, according to section 121.935, subdivision 6, or an educational cooperative service unit, according to section 123.58, subdivision 9; or

(14) make repairs or improvements to buildings as required by a fire safety inspection according to section 121.1502.

The school district may provide the programs and services itself or contract with a public education organization or a public or private health or human service organization. The school district shall not use education district revenue to increase the salaries of the employees of the school district.

Sec. 19. Minnesota Statutes 1990, section 124.2721, is amended by

adding a subdivision to read:

*Subd. 5a. [FUND TRANSFER AUTHORIZED.] Notwithstanding section 121.912, a district using the education district revenue for fire safety improvements required by fire inspections shall transfer each year the amount needed to make the improvements from the general fund to the capital expenditure fund. A district using education district revenue for purposes that would otherwise be paid from the community service fund shall transfer each year the amount needed from the general fund to the community service fund.*

Sec. 20. Minnesota Statutes 1990, section 124.2725, subdivision 4, is amended to read:

*Subd. 4. [INCREASING LEVY.] (a) For districts that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:*

*(1) 50 percent for the first year of combination; and*

*(2) 25 percent for the second year of combination.*

*(b) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:*

*(1) 100 percent for the first year of cooperation;*

*(2) 75 percent for the first year of combination;*

*(3) 50 percent for the second year of combination; and*

*(4) 25 percent for the third year of combination.*

*(b) (c) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:*

*(1) 100 percent for the first year of cooperation;*

*(2) 75 percent for the second year of cooperation;*

*(3) 50 percent for the first year of combination; and*

*(4) 25 percent for the second year of combination.*

Sec. 21. Minnesota Statutes 1990, section 124.2725, subdivision 5, is amended to read:

*Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.*

*(b) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.~~ Aid shall not be paid after three years of combining.*

*(b) (c) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.~~ Aid shall not be paid after two years of combining.*

*(d) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.*

Sec. 22. Minnesota Statutes 1990, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid ~~under this subdivision. For the first year of cooperation, a district shall receive, for each resident and nonresident pupil receiving instruction in a cooperating district, \$100 times the actual pupil units. For the first year of combination, the combined district shall receive, for each resident and nonresident pupil receiving instruction in the combined district, \$100 times the actual pupil units according to the following:~~

*(1) for districts that combine without cooperating, \$100 times the actual pupil units in the district in the first year of combination; or*

*(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination; or*

*(3) for districts that combine after two years of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination.*

Sec. 23. Minnesota Statutes 1990, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) ~~For the third year of combination and thereafter, When a combined district is no longer eligible for aid under subdivision 5, it may receive revenue according to this subdivision.~~ A combined district that is not a member of an education district that receives revenue under section 124.2721 may levy each year 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 not receive revenue under this subdivision.

Sec. 24. Minnesota Statutes 1990, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units. *Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units in the districts.*

Sec. 25. [124.2727] [INTERMEDIATE DISTRICT REVENUE.]

*Subdivision 1. [ELIGIBILITY.] A school district is eligible for intermediate school district revenue if the property in the school district was subject to taxation by or on behalf of an intermediate school district for taxes payable in 1991.*

*Subd. 2. [REVENUE.] Intermediate school district revenues for an eligible school district are equal to the product of:*

*(1) the greater of:*

*(i) the quotient obtained by dividing five-sixths of the levy certified by the intermediate school district for taxes payable in 1989 by the sum of the actual pupil units of the eligible school districts for the fiscal year to which the levy is attributable; or*

*(ii) \$48, times*

*(2) the actual pupil units in the school district for the year to which the levy is attributable.*

*Subd. 3. [LEVY.] The intermediate school district levy for an eligible school district is equal to the product of:*

*(1) the quotient obtained by dividing the sum of the amounts computed in subdivision 2 for all eligible member districts of the intermediate school district by the total adjusted net tax capacity of the intermediate school district; times*

*(2) the adjusted net tax capacity of the school district.*

*Subd. 4. [REVENUE ADJUSTMENTS.] The intermediate school district revenue adjustment for an eligible school district is equal to the intermediate school district revenue minus the intermediate school district levy times the ratio of the actual amount levied to the permitted levy. If the permitted intermediate school district levy exceeds the intermediate school district revenue, the department shall reduce other aid due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for revenue adjustments under this subdivision.*

*Subd. 5. [REVENUE USES.] Five-elevenths of the proceeds of the revenue must be used for special education and six-elevenths of the proceeds of the revenue must be used for secondary vocational education. The district may provide special education or secondary vocational education, or both. The district may purchase some or all of either type of education from the intermediate district, another school district, or any other provider.*

Sec. 26. Minnesota Statutes 1990, section 124.431, is amended by adding a subdivision to read:

*Subd. 15. [OBLIGATIONS UPON DISTRICT COMBINATION.] If a district has a capital loan that is outstanding at the time of combination, according to sections 122.241 to 122.248, the obligations for the loan may remain solely with the preexisting district. In that case, the obligation of the taxable property in the preexisting district with respect to payment of the capital loan is not affected by the combination. If the plan for combination provides for payment of the capital loan obligations by the combined district or makes no provision for payment, all of the taxable property in the combined district is taxable for the payment. This subdivision shall not relieve any property from any tax liability for payment of any capital loan obligation.*

Sec. 27. Minnesota Statutes 1990, section 124.493, is amended by adding a subdivision to read:

*Subd. 3. [APPLICATIONS.] Districts that apply for a cooperative secondary facilities grant after May 1, 1991, shall:*

*(1) submit a plan as set forth in section 122.242 for approval by the state board of education; and*

*(2) comply with the provisions of sections 122.243 to 122.247, applicable to combined districts.*

*The districts are not eligible for cooperation and combination revenue under section 124.2725. Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring, constructing, remodeling, or improving a building or site of a cooperative secondary facility.*

Sec. 28. Minnesota Statutes 1990, section 124.575, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] ~~A secondary vocational cooperative established under section 123.351~~ school district is eligible for secondary vocational cooperative revenue if it ~~meets~~ *certified a secondary vocational cooperative levy for fiscal year 1992* and the size requirements specified in section 122.91, subdivision 3, and the cooperative ~~offers~~ *offered* programs authorized under section 123.351, subdivision 4, paragraph (b), clause (1), and clause (2) or (3). The pupil units of a district that is a member of intermediate school district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a district may not be used to obtain revenue under this section and section 124.2721.

Sec. 29. Minnesota Statutes 1990, section 124.575, subdivision 2, is amended to read:

Subd. 2. [REVENUE.] ~~Each year the secondary vocational cooperative board shall certify to the department of education the amount of revenue to be raised.~~ *Secondary vocational cooperative revenue for the secondary vocational cooperative shall be the lesser of:*

~~(1) \$20 times the actual pupil units in the secondary vocational cooperative;~~  
or

~~(2) the amount certified by the secondary vocational cooperative board district.~~

Sec. 30. Minnesota Statutes 1990, section 124.575, subdivision 3, is amended to read:

Subd. 3. [LEVY.] The secondary vocational cooperative levy for a school district is equal to the following:

(1) the *sum of the secondary vocational cooperative revenue according to subdivision 2 for all member school districts of the secondary vocational cooperative according to subdivision 1*, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity ~~for taxes payable in 1991 and thereafter~~ of the secondary vocational cooperative divided by the number of actual pupil units in the secondary vocational cooperative to an amount equal to \$20 divided by .78 percent ~~for taxes payable in 1991 and thereafter~~, times

*(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the secondary vocational cooperative.*

~~The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.~~

Sec. 31. Minnesota Statutes 1990, section 124.575, subdivision 4, is amended to read:

Subd. 4. [AID.] ~~The aid for a~~ Secondary vocational cooperative aid equals ~~its~~ the secondary vocational cooperative revenue minus ~~its~~ the secondary vocational cooperative levy, times the ratio of the actual amount levied to the permitted levy. *If the permitted amount of the secondary vocational cooperative levy exceeds the secondary vocational cooperative revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.*

Sec. 32. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 5. [USE OF REVENUE.] *Secondary vocational cooperative revenue shall be used to provide or purchase vocational offerings, special education for handicapped pupils, or other educational programs or services offered by a secondary vocational center, school district, or other provider.*

Sec. 33. 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 days after the education district holds a referendum according to this subdivision, 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 *may* levy an amount up to 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. 34, Minnesota Statutes 1990, section 136D.22, is amended by adding a subdivision to read:

*Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] No district shall be required by an agreement or otherwise to be a member of, participate in, or provide financial support for any service or*

*activity of the intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the obligation or debt is discharged.*

Sec. 35. [136D.281] [BONDS.]

*Subdivision 1. [PURPOSE.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.*

*Subd. 2. [GENERAL LAW.] Chapter 475 shall be applicable in all respects.*

*Subd. 3. [RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in said district.*

*Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.*

*If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may proceed with the sale and issuance of the bonds.*

*Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.*

*Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.*

*Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14 and shall be deemed instruments of a public governmental agency.*

Sec. 36. Minnesota Statutes 1990, section 136D.29, is amended to read:

136D.29 [TERM OF AGREEMENT; DISSOLUTION; BOND TAXES; WITHDRAWAL.]



*Subdivision 1. [TERM OF AGREEMENT AND TERMINATION.]* The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section ~~136D.28~~ 31.

*Subd. 2. [WITHDRAWAL.]* Any participating district may withdraw from the intermediate school district upon mutual consent of a majority vote of the full membership of the participating school board desiring withdrawal and the intermediate school board. If withdrawal resolutions are duly enacted, the intermediate school board shall file a copy of its resolution reciting the necessary facts and file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the following fiscal year but withdrawal shall not affect the continued liability of the withdrawing district and all of the net tax capacity within its geographic confines for its share of the bonded indebtedness outstanding and authorized by the intermediate school district.

Sec. 37. Minnesota Statutes 1990, section 136D.71, is amended to read:

136D.71 [LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.]

*Subdivision 1. [AGREEMENT.]* Notwithstanding any other law to the contrary, two or more of the independent school districts numbered 12 and 16 of Anoka county, independent school districts numbered 621, 622, 623, and 624 of Ramsey county, and independent school districts numbered 832, 833, and 834 of Washington county, are hereby authorized to enter into an agreement to establish a special intermediate school district upon majority vote of the full membership of each of the boards of the districts entering into the agreement. When such resolution has been adopted by the board of one of the districts, it shall be published once in a newspaper of general circulation in said district. If a petition for referendum on the question of said district entering into such agreement is filed with the clerk of the said board within 60 days after publication of such resolution, signed by the qualified voters of said district equal to five percent of the number of voters at the last annual school election. No board shall enter into such agreement until the question of whether the district shall enter into the agreement has been submitted to the voters of said district at a special election. Said election shall be conducted and canvassed in accordance with chapter 205A.

If a majority of the total number of votes cast on the question within said district is in favor of the question, the board of said school district may thereupon proceed to enter into an agreement to establish the special intermediate school district for purposes herein described. Such school district so created shall be known as northeastern metropolitan intermediate school district, state of Minnesota. The commissioner of education shall assign an appropriate identification number as provided by section 122.03.

*Subd. 2. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.]* No district shall be required by an agreement or otherwise to be a member of, participate in, or provide financial support for any service or activity of the intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of

*this section but only according to the payment schedule in effect on the effective date of this section and only until the obligation or debt is discharged.*

Sec. 38. Minnesota Statutes 1990, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board of ~~not less than six nor more than 12 members. The board shall consist consisting of at least one member from each of the school districts within the special intermediate school district. Board members shall be members of the school boards of the respective school districts and shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.~~

Sec. 39. Minnesota Statutes 1990, section 136D.76, subdivision 2, is amended to read:

Subd. 2. [JOINDER.] *An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter, upon approval of the majority vote of its board and of the intermediate school board as well as approval of the state board of education and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be governed by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.*

Sec. 40. Minnesota Statutes 1990, section 136D.82, is amended by adding a subdivision to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] *No district shall be required by an agreement or otherwise to be a member of, participate in, or provide financial support for any service or activity of the intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void. However, this subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section, but only according to the payment schedule in effect on the effective date of this section and only until the obligation or debt is discharged.*

Sec. 41. [136D.88] [BONDS.]

Subdivision 1. [PURPOSE.] *The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.*

Subd. 2. [GENERAL LAW.] *Chapter 475 shall be applicable in all respects.*

Subd. 3. [RESOLUTION.] *The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate*

*school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in the district.*

*Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.*

*If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and issuance of the bonds.*

*Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.*

*Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.*

*Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.*

Sec. 42. Minnesota Statutes 1990, section 136D.90, is amended to read:

**136D.90 [TERM OF AGREEMENT, DISSOLUTION, BOND TAXES TERMINATION, AND WITHDRAWAL.]**

*Subdivision 1. [TERM OF AGREEMENT AND TERMINATION.] The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section ~~136D.89~~ 37.*

*Subd. 2. [WITHDRAWAL.] Any participating district may withdraw from the intermediate school district upon mutual consent of a majority vote of the full membership of the participating school board desiring withdrawal and the intermediate school board. If withdrawal resolutions are duly enacted, the intermediate school board shall file a copy of its resolution reciting the necessary facts and file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the following fiscal year, but withdrawal shall not affect the continued liability of the withdrawing district and all of the net tax capacity within its geographic confines for its share of the bonded indebtedness outstanding and authorized by the intermediate school district.*

Sec. 43. Minnesota Statutes 1990, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. ~~Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575,~~ Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 44. Minnesota Statutes 1990, section 275.125, by adding a subdivision.

*Subd. 11g. [EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION.] A school district with its central administrative office located within economic development region one, two, eight, and ten may levy up to .5 percent of the adjusted net tax capacity of the district for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.*

Sec. 45. Laws 1989, chapter 329, article 6, section 53, subdivision 6, as amended by Laws 1990, chapter 562, article 7, section 13, is amended to read:

Subd. 6. [TELECOMMUNICATIONS GRANT.] For grants of up to \$20,000 each to independent school districts Nos. 356, 353, 444, 441, 524, 564, 592, 440, 678, 676, 682, 690, 390, 593, 595, 630, 600, 599, 447, 742, 627, 628, ~~and 454, 561, 601, 603, 413, 402, 403, 896, 891, 418, 409, 584, 411, 412, 414, 404, and 791~~ to support cooperative educational technology programs:

\$340,000 . . . . . 1991.

*The amount appropriated shall not cancel but shall be available until June 30, 1992.*

Sec. 46. Laws 1989, chapter 329, article 9, section 35, is amended to read:

Sec. 35. [EFFECTIVE DATE.]

Sections 17, 18, and 19 are effective July 1, ~~1992~~ 1993. Section 28 is effective retroactively to May 7, 1988.

Section 30 is effective for the 1989-1990 school year.

Sections 1 and 3 are effective for the 1990-1991 school year and thereafter.

Sec. 47. [RECOGNITION OF COOPERATION REVENUE.]

*Independent school district Nos. 543, Deer Creek, and 819, Wadena, may recognize revenue received for fiscal year 1993 according to Minnesota Statutes, section 124.2725, subdivision 6, in fiscal year 1992.*

**Sec. 48. [AID REDUCTION FOR MOTLEY SCHOOL DISTRICT.]**

*Notwithstanding Minnesota Statutes, section 122.541, or any other law to the contrary, all pupils residing in independent school district No. 483, Motley, who are enrolled and attending school in kindergarten through grade 12 in independent school district No. 793, Staples, shall be treated as non-resident pupils enrolled and attending school in independent school district No. 793, Staples, under Minnesota Statutes, section 120.062, beginning with the 1990-1991 school year. The department of education shall:*

*(1) determine the amount of state education aid calculated under section 120.962, subdivision 12, due district No. 793 as a result of this section;*

*(2) reduce state education aid for district No. 483 in an amount equal to the amount of aid due district No. 793 under clause (1) plus \$110,198.19 for the cost to district No. 793 of educating 48 resident pupils of district No. 483 who attended kindergarten through grade 6 in district No. 793 during the 1989-1990 school year; and*

*(3) pay district No. 793 the amount of state education aid calculated under clause (1).*

**Sec. 49. [DISTRICTS WITH SECONDARY EDUCATION AGREEMENTS.]**

*A district that has had an agreement for secondary education according to Minnesota Statutes, section 122.535, with one or more districts continuously since the 1987-1988 school year is eligible for cooperation and combination revenue if it meets the requirements of Minnesota Statutes, sections 122.241 to 122.248, not later than the first year of cooperation. The department of education shall extend the deadline for submitting a plan in 1991.*

**Sec. 50. [FINLAYSON AND HINCKLEY COOPERATION AND COMBINATION.]**

*Independent school district Nos. 570, Finlayson, and 573, Hinckley, may cooperate and combine under Minnesota Statutes, sections 122.241 to 122.248, and receive revenue under Minnesota Statutes, section 124.2725, even if the districts are not contiguous. The districts shall comply with all other requirements for cooperation and combination.*

**Sec. 51. [OLIVIA OPERATING DEBT LEVY.]**

*Independent school district No. 653, Olivia, may levy to eliminate a deficit in the net unappropriated operating funds of one or more of its component cooperating districts determined as of June 30 at the end of the first year of cooperation, and certified and adjusted by the commissioner. The amount of the levy may be certified over a period not to exceed five years. After the effective date of the combination, this levy must be certified and spread only on the property in the combined district that would have been taxable in the former district that incurred the debt.*

*The amount may be levied by the school board unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of adopting a resolution to levy under this section. The percentage shall be determined according to the number of registered voters in the school district on the day before the petition is filed with the school board. The petition must call for a referendum on the question of whether the district may levy for the project. The approval of 50 percent plus one of those voting on the question is required to pass a referendum.*

Sec. 52. [APPLICABILITY.]

(a) *The restrictions on the duration of agreements of regional management information centers, education districts, secondary vocational centers, ECSUs, and intermediate school districts apply to agreements in effect on the effective date of the applicable section, modifications of agreements, and future agreements.*

(b) *The provisions relating to capital loans for cooperating and combining districts apply to all districts that have contracts for capital loans the day following final enactment of this act.*

Sec. 53. [LEVY ADJUSTMENT.]

*The department of education shall adjust the 1991 payable 1992 levy for each school district by the amount of the change in the district's education district levy for fiscal year 1992 according to Minnesota Statutes, section 124.2721, subdivision 3, resulting from the change to education district revenue under section 124.2721, subdivision 2. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.*

Sec. 54. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [EDUCATION DISTRICT AID.] For education district aid according to Minnesota Statutes, section 124.2721:*

*\$2,772,000 . . . . . 1992*

*\$2,275,000 . . . . . 1993*

*The 1992 appropriation includes \$555,000 for 1991 and \$2,217,000 for 1992.*

*The 1993 appropriation includes \$391,000 for 1992 and \$1,884,000 for 1993.*

*Subd. 3. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:*

*\$2,327,000 . . . . . 1992*

*\$4,666,000 . . . . . 1993.*

*The 1992 appropriation includes \$210,000 for 1991 and \$2,117,000 for 1992.*

*The 1993 appropriation includes \$373,000 for 1992 and \$4,293,000 for 1993.*

*Up to \$535,000 of the 1993 appropriation is available for districts that combine without cooperating.*

*Subd. 4. [SECONDARY VOCATIONAL COOPERATIVE AID.] For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:*

*\$178,000 . . . . . 1992*

*\$165,000 . . . . . 1993*

*The 1992 appropriation includes \$24,000 for 1991 and \$154,000 for 1992.*

*The 1993 appropriation includes \$27,000 for 1992 and \$138,000 for 1993.*

*Subd. 5. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For aid attributable to educational cooperative service units:*

*\$748,000 . . . . . 1992*

*\$748,000 . . . . . 1993*

*The 1992 appropriation includes \$112,000 for 1991 and \$636,000 for 1992.*

*The 1993 appropriation includes \$112,000 for 1992 and \$636,000 for 1993.*

*Subd. 6. [MANAGEMENT INFORMATION CENTERS.] For aid attributable to management information centers:*

*\$3,411,000 . . . . . 1992*

*\$3,411,000 . . . . . 1993*

**Sec. 55. [REPEALER.]**

*Subdivision 1. [JULY 1, 1991.] Minnesota Statutes 1990, sections 121.935, subdivision 5; 122.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; 124.575, subdivision 3a; 124C.02; 136D.27, subdivision 1; 136D.74, subdivisions 2 and 3; 136D.87, subdivision 1; and 275.125, subdivisions 8d and 8e, are repealed.*

*Subd. 2. [IMMEDIATE.] Minnesota Statutes 1990, sections 124.493, subdivision 2; 136D.28; 136D.30; 136D.89; and 136D.91, are repealed.*

*The repeal of Minnesota Statutes, sections 136D.28 and 136D.89, shall not affect any rights or duties relating to bonds issued according to the repealed sections.*

**Sec. 56. [EFFECTIVE DATE.]**

*Sections 2, 8, 9, 11, 12, 33, 35, 36, 37, 38, 39, 40, 41, 42, 52, and 55, subdivision 2, are effective the day following final enactment. Section 51 is effective immediately.*

**ARTICLE 7**

**ACCESS TO EXCELLENCE**

**Section 1. [121.112] [OFFICE OF EDUCATIONAL LEADERSHIP.]**

*Subdivision 1. [OFFICE.] The commissioner of education shall maintain the office of educational leadership. The purpose of the office is to assist the commissioner in the development of a statewide outcome-based education system.*

*Subd. 2. [OFFICE STAFF] The commissioner shall appoint the executive director and other staff who shall serve in the unclassified service and who shall perform duties and have responsibilities solely related to the office.*

**Subd. 3. [POWERS AND DUTIES.] The office shall:**

*(1) provide structured research for the development of outcome-based education, including the transformation of educational structures and*

organizations;

(2) evaluate the level and methods of education funding as it relates to alternative learning strategies and organizational structures; and

(3) evaluate, report, and make recommendations to the state board of education.

*Subd. 4. [RESEARCH ADVISORY COMMITTEE.] The commissioner of education shall appoint an advisory committee of no more than 15 members to advise the office in ongoing research and development of educational policies and processes that lead to the transformation of the education system. Committee members shall include representatives of at least the following: the board of teaching, the state board of education, the Minnesota association of colleges for teacher education, the education effectiveness advisory task force, the state council on vocational technical education, association of school administrators, association of secondary school principals, Minnesota education association, elementary school principals association, Minnesota federation of teachers, Minnesota school boards association, one teacher education faculty member associated with a research and development site, two teachers selected at large who represent research and development sites, and a parent selected at large.*

*Subd. 5. [INFORMATION CLEARINGHOUSE.] The office shall work with districts in the state that have implemented outcome-based education to gather information on instructional strategies and organizational structures. This information shall be used in the research performed by the office and shall be disseminated to other districts through the educational effectiveness program.*

**Sec. 2. [121.113] [RESEARCH AND DEVELOPMENT SITES.]**

*Subdivision 1. [SITE CHARACTERISTICS.] The state board of education shall maintain up to ten sites including public schools, school districts, and education districts to serve as research and development sites to examine and implement learner outcome-based education policies.*

*The office of educational leadership shall coordinate the learner outcome-based education transformation efforts of each research and development site and shall provide technical assistance upon request.*

*The educational activities and policies of each site must conform with the research plan of the office. The sites must be located in different geographical areas of the state and include school populations of various sizes and schools at various stages of implementing a learner outcome-based system of education. The sites must establish and maintain an affiliation with a teacher preparation institution that incorporates a learner outcome-based system of education in training beginning teachers. The sites may have been pilot or demonstration sites for other education improvement programs. Sites may be chosen to demonstrate how vocational outcomes can be integrated into a comprehensive education curriculum.*

*Subd. 2. [GRANT AMOUNTS.] The state board, in consultation with the office of educational leadership, shall select the sites and determine the amount of the grant to be awarded to each site August 1 of each year of the project for which resources are available.*

**Sec. 3. Minnesota Statutes 1990, section 121.608, is amended to read:**

**121.608 [EDUCATIONAL EFFECTIVENESS PLAN.]**



The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in ~~the schools~~ *early childhood family education programs through secondary education programs. The plan shall include provisions for the participation of post-secondary teacher preparation programs and early childhood family education programs.* The plan shall encourage implementation of educational effectiveness strategies based on research findings in the area, develop in-service programs for school district staff, integrate developments in educational technology with classroom instruction, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in educational effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. The plan shall be revised as necessary.

Sec. 4. Minnesota Statutes 1990, section 121.609, subdivision 1, is amended to read:

Subdivision 1. [ADVISORY TASK FORCE; PROGRAM IMPLEMENTATION.] The commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation program for providing in-service instruction to school district staff in educational effectiveness. The in-service program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by *existing* educational research *and the office of educational leadership*. The in-service program shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of in-service instruction through the educational cooperative service units.

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 2, is amended to read:

Subd. 2. [RESEARCH AND DEVELOPMENT OF IN-SERVICE PROGRAM.] The commissioner shall administer a research and development program of educational effectiveness *and outcome-based education* in-service. The advisory task force established in subdivision 1 may recommend modifications in the in-service program as necessary.

Sec. 6. [121.831] [LEARNING READINESS PROGRAMS.]

*Subdivision 1. [ESTABLISHMENT.] A district or a group of districts may establish a learning readiness program for eligible children.*

*Subd. 2. [CHILD ELIGIBILITY.] A child is eligible to participate in a learning readiness program if the child is:*

- (1) at least four years old but has not entered kindergarten; and*
- (2) has participated or will participate in an early childhood screening program according to section 123.706.*

*A child may participate in a program provided by the district in which the child resides or by any other district.*

*Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:*

- (1) a social service plan to provide for the needs of the families and*

*collaboration and cooperation with the agencies providing services to meet the needs;*

*(2) a development and learning component to help a child develop socially, intellectually, physically, and emotionally in a manner appropriate to the child's age and level of development;*

*(3) health services and referral services to assist in addressing the medical, dental, mental health, and nutritional needs of the children;*

*(4) a nutrition component to assist in meeting the nutritional needs of the children; and*

*(5) involvement of parents in the educational, health, social service, and other needs of the children.*

*Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs may include the following:*

*(1) an individualized service plan to meet the individual needs of each child by providing services that reflect the needs of the child;*

*(2) participation by families who are representative of the cultural and socioeconomic diversity of the community;*

*(3) parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;*

*(4) substantial parent involvement, that may include developing curriculum or serving as a paid or volunteer educator, resource person, or other staff;*

*(5) identification of the needs of families with respect to the child's learning readiness;*

*(6) efforts to expand public, business community, and other private collaboration to promote the development of a coordinated system of services available to all families with eligible children;*

*(7) coordination of treatment and follow-up services for all identified health problems;*

*(8) staff and program resources reflective of the racial and ethnic population of the children in the program, including interpreters;*

*(9) transportation for eligible children and parents for whom other forms of transportation are not available or would constitute an excessive financial burden; and*

*(10) substantial outreach efforts to assure participation by families with unmet needs.*

*Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] A district may contract with a public or private organization for one or more of the program requirements in subdivision 3, clauses (1) to (4). A district may also pay tuition or fees to place an eligible child in an existing program or to establish a new program. Services may be provided in a center or in the home of the child or a combination of both. The district may not limit participation to residents of the district.*

*Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] The district shall maximize coordination of the learning readiness program with existing service providers located in the community.*

*Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council. The school board shall:*

*(1) appoint parents of children enrolled in the program and representatives of early childhood service providers as representatives to an existing advisory council; or*

*(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.*

*Subd. 8. [PARTICIPATION ENCOURAGED.] The district shall particularly encourage participation of eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.*

*Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.*

*Subd. 10. [SUPERVISION.] A licensed teacher shall supervise the program but is not required to be present during the time children and their parents are participating in the program.*

*Subd. 11. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to maximize participation in the program by eligible children of all socioeconomic levels.*

*Subd. 12. [ADDITIONAL REVENUE.] A district or organization contracting with the district may receive money or in-kind services from a public or private organization.*

**Sec. 7. [124.2615] [LEARNING READINESS AID.]**

*Subdivision 1. [PROGRAM REVIEW AND COMMENT.] A district must submit to the commissioners of education, health, and jobs and training:*

*(1) a description of the services to be provided;*

*(2) a description of procedures and methods to be used to coordinate public and private resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development;*

*(3) agreements with all participating service providers; and*

*(4) an estimate of the total number of eligible children who are expected to participate and, of the total, the number of children from families who would be eligible for free or reduced school lunch.*

*Each commissioner may review and comment on the program, but not approve or disapprove a program, within 30 days of receiving the description.*

*Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if it has submitted a program description as required by subdivision 1. For fiscal year 1992, the aid is equal to:*

*(1) \$500 times the number of eligible children residing in the district, as*

*determined according to section 124.2711, subdivision 2; plus*

*(2) \$200 times the result of;*

*(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times*

*(4) the number of children in clause (1).*

*For fiscal year 1993 and thereafter, a district shall receive learning readiness aid equal to:*

*(1) \$500 times the number of all participating eligible children; plus*

*(2) \$200 times the number of participating eligible children identified according to section 6, subdivision 8.*

*Subd. 3. [USE OF AID.] Learning readiness aid shall be used to provide a learning readiness program and may be used to provide transportation. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.*

*Subd. 4. [SEPARATE ACCOUNTS.] The district shall deposit learning readiness aid in a separate account within the community education fund.*

*Subd. 5. [REPORT.] The district must report by January 1 of 1992 and 1993 to the commissioner of education about the types of services provided through the program, progress made by eligible children, the number of participating children receiving services without charge, the number paying reduced fees, and the number paying the full fee.*

**Sec. 8. [124C.10] [CITATION.]**

*Sections 9 and 10 may be cited as the Minnesota local partnership act.*

**Sec. 9. [124C.11] [PURPOSE OF THE MINNESOTA LOCAL PARTNERSHIP ACT.]**

*The purpose of the Minnesota local partnership act is to design methods to focus on the development and learning of children and youth in Minnesota in the 1990's and the next century. Cooperation and collaboration of all services, including education, health, and human services for children and youth will be encouraged at the local and state level. The program will provide incentives to design a system of child-focused coordinated services to enhance the learning and development of individual children and youth.*

**Sec. 10. [124C.12] [MINNESOTA LOCAL PARTNERSHIP PROGRAM.]**

*Subdivision 1. [ESTABLISHMENT.] A program is established under the direction of the state board of education, with the cooperation of the commissioners of education, health, and human services. It is expected that participants and other districts will become exemplary districts by the year 2000.*

*Subd. 2. [ELIGIBILITY.] An applicant for revenue may be any one of the following:*

*(1) a school district located in a city of the first class offering a program in cooperation with other districts or by itself, in one or more areas in the district or in the entire district;*

(2) at least two cooperating school districts located in the seven-county metropolitan area but not located in a city of the first class;

(3) a group of school districts that are all members of the same education district;

(4) an education district;

(5) a group of cooperating school districts none of which are members of any education district; or

(6) a school district.

*Subd. 3. [COMMUNITY EDUCATION COUNCIL.] Each revenue recipient must establish one or more community education councils. A community education council may be composed of elected representatives of local governments, an education district board, school boards, human service providers, health providers, education providers, community service organizations, clergy, local education sites, and local businesses. The community education council shall plan for the education, human service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. A council formed under this subdivision may be an expansion of and replace the community education advisory council required by section 121.88, subdivision 2.*

*Subd. 4. [APPLICATION PROCESS.] To obtain revenue, a district or districts must submit an application to the state board in the form and manner established by the state board. Additional information may be required by the state board.*

*Subd. 5. [REVENUE.] The state board may award revenue to up to 20 applicants. The board may determine the size of the award based upon the application. Recipients must be located throughout the state.*

*Subd. 6. [PROCEEDS OF REVENUE.] Revenue may be used for initial planning expenses and for implementing child-focused learning and development programs.*

Sec. 11. Minnesota Statutes 1990, section 126.663, subdivision 2, is amended to read:

*Subd. 2. [STATE LEARNER OUTCOMES.] The state board of education, with the assistance of the state curriculum advisory committee and the office on educational leadership shall identify and adopt learner goals, essential learner outcomes, and integrated learner outcomes for curriculum areas, under section 120.101, subdivision 6, and for career vocational curricula. Learner outcomes shall include thinking and problem solving skills. Learner outcomes shall consist of a sequence of outcomes beginning with early childhood programs through secondary education programs.*

Sec. 12. Minnesota Statutes 1990, section 126.663, subdivision 3, is amended to read:

*Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in kindergarten to early childhood through grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary*

institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 13. [APPROPRIATION.]

*Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The sums indicated in this section are appropriated from the general fund to the higher education coordinating board for the fiscal years designated.*

*Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] To the higher education coordinating board, for scholarship awards for summer programs according to Minnesota Statutes, section 126.56:*

\$214,000 . . . . . 1992

\$214,000 . . . . . 1993

*Of this appropriation, any amount required by the higher education coordinating board may be used for the board's costs of administering the program.*

Sec. 14. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

*Subd. 2. [LEARNING READINESS PROGRAM REVENUE.] For revenue for learning readiness programs:*

\$17,000,000 . . . . . 1992

\$20,000,000 . . . . . 1993

*The 1992 appropriation includes \$ . . . . . for 1991 and \$17,000,000 for 1992.*

*The 1993 appropriation includes \$3,000,000 for 1992 and \$17,000,000 for 1993.*

*Any unexpended balance in the first year does not cancel but is available in the second year.*

*Subd. 3. [MINNESOTA LOCAL PARTNERSHIP REVENUE.] For revenue for the Minnesota local partnership act:*

\$500,000 . . . . . 1992

*Up to \$5,000 may be used for the expenses of a task force to advise the state board about the program and to make recommendations to the state board about revenue applications.*

*The amount appropriated is available until June 30, 1992.*

*Subd. 4. [AREA LEARNING CENTER GRANTS.] For grants to area learning centers:*

\$150,000 . . . . . 1992

\$150,000 . . . . . 1993

*Subd. 5. [ARTS PLANNING GRANTS.] For grants for arts planning according to Minnesota Statutes, section 124C.08:*

\$ 38,000 . . . . . 1992

\$ 38,000 . . . . . 1993

*Any unexpended balance in the first year does not cancel but is available in the second year.*

*Subd. 6. [RESEARCH AND DEVELOPMENT GRANTS.] For grants for research and development sites:*

*\$250,000 . . . . . 1992*

*\$250,000 . . . . . 1993*

*Up to \$20,000 each year may be used for administration and evaluation.*

*Any unexpended balance remaining from fiscal year 1992 does not cancel and is available for fiscal year 1993.*

*Subd. 7. [TECHNICAL ASSISTANCE; RESEARCH AND DEVELOPMENT SITES.] For the office of educational leadership to give technical assistance to research and development sites:*

*\$125,000 . . . . . 1992*

*\$125,000 . . . . . 1993*

*Subd. 8. [OUTCOME-BASED EDUCATION STAFF DEVELOPMENT PROGRAMS.] For outcome-based education staff development programs:*

*\$2,000,000 . . . . . 1992*

*\$5,200,000 . . . . . 1993*

*(a) Up to \$50,000 of the appropriation for fiscal year 1992 may be used by the commissioner of education, with the assistance of an advisory committee appointed by the commissioner, to define outcome-based education, determine staff development activities for teachers and districts, develop a scoring system for district applications, and explore the implications of outcome-based education and staff development activities for teacher preparation programs in post-secondary institutions.*

*(b) Up to \$390,000 in fiscal year 1992 and up to \$430,000 in fiscal year 1993 is for the department of education for the outcome-based education staff development program.*

*(c) Up to \$150,000 in fiscal year 1992 and up to \$550,000 in fiscal year 1993 shall be used to award grants of up to \$5,000 to school districts to purchase special equipment necessary to participate in the curriculum, instructional, and assessment banks and to provide electronic networks.*

*(d) Up to \$510,000 in fiscal year 1992 and up to \$920,000 in fiscal year 1993 shall be used to pay stipends to teachers of \$100 each day for two days to become aware of outcome-based education. The teachers in approximately 85 schools in fiscal year 1992 and 153 schools in fiscal year 1993 are eligible to participate.*

*(e) Up to \$900,000 in fiscal year 1992 and up to \$3,300,000 in fiscal year 1993 shall be used to pay stipends to teachers of \$100 each day for up to ten days to plan for implementation of outcome-based education. The teachers in approximately 30 schools in fiscal year 1992 and 110 schools in fiscal year 1993 are eligible to participate.*

*(f) The commissioner of education shall select districts whose teachers may participate in the programs in paragraphs (d) and (e) by December 15 of each year, based on criteria established by the commissioner. The programs shall be provided on days teachers are not required to perform duties in the*

*school district.*

Sec. 15. [REPEALER.]

*Minnesota Statutes 1990, section 121.11, is repealed.*

## ARTICLE 8

### OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

*Subd. 6. [UNEMPLOYMENT RESERVE BALANCE.] The reserved fund balance for unemployment insurance as of June 30 of each year may not exceed \$10 times the number of pupil units for that year. The department shall reduce the levy certified by the district, according to section 275.125, subdivision 4, the following year for obligations under section 268.06, subdivision 25, by the amount of the excess.*

Sec. 2. Minnesota Statutes 1990, section 124.276, subdivision 4, is amended to read:

*Subd. 4. [USE OF AID.] Career teacher aid may be used only to implement a career teacher program.*

*The aid may also be used to allow secondary pupils to provide services, as part of a youth service program, according to section 121.88, subdivision 9, in an extended day program offered by a district, according to section 121.88, subdivision 10. The services of secondary pupils may be coordinated by a career teacher and shall be eligible for credit for youth service requirements of the district.*

Sec. 3. [124.278] [MINORITY TEACHER INCENTIVES.]

*Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:*

- (1) a minority enrollment of more than ten percent; or*
- (2) a desegregation plan approved by the state board of education.*

*Subd. 2. [ELIGIBLE EMPLOYEE.] The following employees are eligible for reimbursement under this section:*

*(1) a teacher who is a member of a minority group and who has not taught in a Minnesota school district during the school year before the year the teacher is employed according to this section; and*

*(2) an aide or an education assistant who is a member of a minority group and who has not been employed as an aide or an education assistant in a Minnesota school district during the school year before the year the aide or education assistant is employed according to this section.*

*Subd. 3. [REIMBURSEMENT.] Reimbursement shall equal one-half of the salary and fringe benefits, but not more than \$20,000. The district shall receive reimbursement for each year a minority teacher, aide, or education assistant is employed. The department of education shall establish application or other procedures for districts to obtain the reimbursement. The department shall not prorate the reimbursement.*

*Subd. 4. [MINORITY GROUP.] For the purposes of this section, a person is a member of a minority group if the person is African American, American Indian, Asian Pacific American, or an American of Mexican, Puerto Rican,*



or Spanish origin or ancestry.

Sec. 4. Minnesota Statutes 1990, section 124.646, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~7.5~~ 6.5 cents for each full paid, reduced, and free student lunch served to students in the district.

Sec. 5. Minnesota Statutes 1990, section 124.646, is amended by adding a subdivision to read:

*Subd. 4. [FOOD SERVICE FUND.] Food service administrative and supervisory costs directly attributable to the food service program may be charged to the food service fund. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative and supervisory costs attributable to operating the district, including costs attributable to the superintendent and business manager, may not be charged to the food service fund.*

Sec. 6. Minnesota Statutes 1990, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which:

~~(1) at least 40 percent of the school lunches served during the 1989-1990 second preceding school year were served free or at a reduced price; or~~

~~(2) at least 45 percent of the children in the school would take part in the program, as indicated by a survey of the parents in the school.~~

Sec. 7. [124C.14] [DEMONSTRATION PROJECT GRANTS FOR CHILDREN WITH MENTAL HEALTH PROBLEMS.]

*Subdivision 1. [GRANT PROGRAM ESTABLISHED.] A grant program is established to demonstrate effective mechanisms for coordinating and enhancing social services and education for children experiencing or likely to experience mental health problems.*

*Subd. 2. [SERVICE GRANTS.] The commissioner of education may award up to three grants to districts, groups of districts, or an education district with high concentrations of children experiencing mental health problems to coordinate and enhance social and education services.*

*Project applicants must:*

*(1) evidence an integrated approach to academic, special education, mental health, and family support needs for children with mental health problems;*

*(2) describe how the proposed project will enhance and coordinate outreach, early intervention, outpatient mental health, and family community support services, as described in Minnesota Statutes, section 245.4871;*

*(3) identify how duplicative services will be eliminated or minimized;*

*(4) identify resources, funds, and staff that each agency will contribute;*

*(5) describe how cultural, economic, and linguistic diversity and parent involvement will be assured; and*

*(6) indicate what new or expanded services are being proposed and how*

*they will be coordinated.*

*Subd. 3. [CRITERIA.] The commissioner of education shall develop criteria for awarding grants.*

*Subd. 4. [EVALUATION.] The commissioner of education, in consultation with the commissioner of human services, shall prepare an evaluation of the demonstration project, including its cost-effectiveness and its impact on school performance, out-of-home placement, and parent involvement.*

**Sec. 8. [124C.63] [COMPREHENSIVE HEALTH AND WELLNESS PROGRAM.]**

*Subdivision 1. [APPLICATION; SITE DESIGNATION.] The commissioner of education shall prescribe the form and manner of application by school districts to be designated as sites to participate in the comprehensive health and wellness program. Up to 30 sites may be selected. The commissioner of education shall designate the sites.*

*Subd. 2. [POLICY AND PROGRAM.] Every site shall develop a comprehensive health and wellness education policy and a health and wellness education instructional program to implement the policy.*

*A school district shall establish an advisory committee composed of parents, community members, school board members, and teachers. A majority of the advisory committee shall be parents. The committee shall recommend to the school board a policy on health and wellness and a health and wellness education instructional program.*

*After receiving the recommendations of the advisory committee, the school board shall adopt a comprehensive health and wellness education policy. The policy must be included as part of the district's application to be designated as a site.*

*The health and wellness education instructional program proposed by the advisory committee shall include alternative approaches to achieving the learner outcomes identified in clauses (1) to (7).*

*The program shall include a kindergarten through grade 12 scope and sequence that must be coordinated with the total curriculum, and shall address at least the following:*

*(1) promotion of a wellness lifestyle, including curriculum on physical fitness, nutritional awareness, stress awareness and management, and accident prevention and cardiopulmonary resuscitation;*

*(2) promotion of mental health and positive self-esteem;*

*(3) family life education;*

*(4) sexual health and responsibility;*

*(5) chemical use awareness and chemical abuse prevention;*

*(6) tobacco use prevention; and*

*(7) responses and efforts to prevent identifiable new and existing health problems such as teenage pregnancy, suicide, child abuse, communicable diseases including acquired immune deficiency syndrome, and chronic diseases.*

*The comprehensive health and wellness education policy shall address at least the following:*

- (1) *development of health-related attitudes early in life to reduce health risk behavior;*
- (2) *facilitation of wellness and healthy attitudes in school district personnel; and*
- (3) *staff development programs.*

Sec. 9. [124C.64] [COMPREHENSIVE SCHOOL HEALTH AND WELLNESS SITES.]

*Subdivision 1. [FUNDING.] Each health and wellness program site shall receive \$3,000 each year for two years. If fewer than 30 sites are selected, each site shall receive an additional proportionate share of the appropriation available for grants. Before receiving a grant, a long-range plan for the comprehensive health and wellness program must be submitted to and receive review and comment by the department.*

*Subd. 2. [CRITERIA.] The commissioner of education shall establish criteria for site selection. Criteria shall include at least the following:*

- (1) *a commitment by the site to designate a program chair for comprehensive health and wellness planning;*
- (2) *a commitment by the site to create a committee including parents, students, and representatives of local health and human services agencies whose function is to review the comprehensive health and wellness program;*
- (3) *a commitment on the part of committee members to participate in training offered by the department of education;*
- (4) *a commitment by the committee to conduct a needs assessment of their comprehensive health and wellness program;*
- (5) *a commitment by the committee to establish and offer developmentally and socially appropriate sexual health and responsibility education, including information on male responsibility, decision making, and resistance to peer pressure, for every age and grade level in elementary and secondary schools, taught by trained professionals such as health educators, family life teachers, school nurses, and public health nurses;*
- (6) *a commitment by the committee to evaluate its involvement in the program;*
- (7) *a commitment by the site to adopt a long-range plan for a comprehensive health and wellness program in the district; and*
- (8) *location of sites to assure representation of urban, suburban, and rural districts, and distribution of sites throughout the state.*

*Subd. 3. [PROGRAM ACCOUNTS.] Each site shall designate a fiscal agent to receive grants and shall maintain a separate account for the receipt and disbursement of all money relating to the program. The grants may be spent only for programs, including teacher release time.*

*Subd. 4. [ADDITIONAL FUNDING.] Participating sites may also receive funding for the program from private sources and from other governmental agencies, including any state or federal funding available for a comprehensive health and wellness program.*

Sec. 10. [124C.65] [DEPARTMENT RESPONSIBILITY.]

*The department of education's division of school management and support*

*services and division of learning and instructional services, collaboratively with the departments of health and human services and the interagency teen pregnancy prevention task force, shall provide materials, training, and assistance to sites.*

Sec. 11. Minnesota Statutes 1990, section 126.113, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture *leadership* council is established to promote education about agriculture.

Sec. 12. Minnesota Statutes 1990, section 126.113, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The council must be appointed by the governor and has 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Council terms and removal of members are as provided in section 15.0575. ~~Council members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.~~ The council is governed by an executive board of directors. The council may organize and appoint committees as it considers necessary.

Sec. 13. [NONOPERATING FUND TRANSFERS.]

*In fiscal year 1992, a school district may permanently transfer money from the capital expenditure fund and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. No levies shall be reduced as a result of a transfer. By December 1, 1992, each district transferring money according to this section shall report to the commissioner of education a report of each transfer. By January 15, 1992, the commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.*

Sec. 14. [FUND TRANSFER.]

*Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, in fiscal year 1992, the reserved fund balance for unemployment insurance that exceeds \$10 times the number of pupil units in the district during the 1990-1991 school year as of June 30, 1991, remaining, after the levy for unemployment insurance is reduced by the department of education, shall be transferred to the capital expenditure fund or the transportation fund.*

Sec. 15. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] *The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.*

Subd. 2. [FELLOWSHIP GRANTS.] *For fellowship grants to highly qualified minority people seeking alternative preparation for licensure:*

*\$100,000 . . . . . 1992*

*A grant is not to exceed \$5,000 with one-half paid each year for two years.*

*Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.*

*Any unexpended balance in 1992 does not cancel but is available in 1993.*

**Subd. 3. [ASSESSMENT OF SKILLS OF BEGINNING TEACHERS.]** *To continue development of an assessment system for skills of beginning teachers:*

\$500,000 . . . . . 1992

\$500,000 . . . . . 1993

*The appropriations are to continue initiatives to develop structured internships for beginning teachers in professional development schools in Minnesota school districts that will prepare the beginning teachers for a performance assessment of their teaching skills. The appropriations are also to field test a research based model for an assessment system that requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The purposes for which the appropriations are to be used are among specific responsibilities mandated by Minnesota Statutes, section 125.185, subdivision 4. Any unencumbered balance from the appropriation in fiscal year 1992 does not cancel and is available in fiscal year 1993.*

*By January 1, 1994, the board of teaching, in a report to the legislature, must recommend statewide implementation for a particular teacher assessment system including its components and instrumentation. The report must include a cost analysis for the statewide implementation.*

**Sec. 16. [APPROPRIATIONS.]**

**Subdivision 1. [DEPARTMENT OF EDUCATION.]** *The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.*

**Subd. 2. [ABATEMENT AID.]** *For abatement aid according to Minnesota Statutes, section 124.214:*

\$6,018,000 . . . . . 1992

\$6,018,000 . . . . . 1993

*The 1992 appropriation includes \$902,000 for 1991 and \$5,116,000 for 1992.*

*The 1993 appropriation includes \$902,000 for 1992 and \$5,116,000 for 1993.*

**Subd. 3. [INTEGRATION GRANTS.]** *For grants to districts implementing desegregation plans mandated by the state board:*

\$14,944,000 . . . . . 1992

\$14,944,000 . . . . . 1993

*\$1,285,200 each year shall be allocated to independent school district No. 709, Duluth; \$7,382,300 each year shall be allocated to special school district No. 1, Minneapolis; and \$6,276,500 each year shall be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform*

*financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a portion of the grant to the transportation fund for this purpose.*

*Subd. 4. [GRANTS FOR COOPERATIVE DESEGREGATION.] For grants to develop interdistrict school desegregation programs:*

*\$400,000 . . . . . 1992*

*\$200,000 . . . . . 1993*

*The commissioner of education shall award grants to school districts to develop pilot interdistrict cooperative programs to reduce segregation, as defined in Minnesota Rules, part 3535.0200, subpart 4, in school buildings.*

*To obtain a grant, a district that is required to submit a plan under Minnesota Rules, part 3535.0600, with the assistance of at least one adjacent district that is not required to submit a plan, shall submit an application to the commissioner.*

*The application shall contain a plan for:*

*(1) activities such as staff development, curriculum development, student leadership, student services, teacher and student exchanges, interdistrict meetings, and orientation for school boards, parents, and the community;*

*(2) implementation of the activities in clause (1) before possible student transfers occur; and*

*(3) possible voluntary transfer of students between districts beginning with the 1991-1992 school year.*

*A grant recipient shall submit a report about its activities.*

*Subd. 5. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:*

*\$8,892,000 . . . . . 1992*

*\$8,892,000 . . . . . 1993*

*The 1992 appropriation includes \$1,333,000 for 1991 and \$7,559,000 for 1992.*

*The 1993 appropriation includes \$1,333,000 for 1992 and \$7,559,000 for 1993.*

*Subd. 6. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:*

*\$6,425,000 . . . . . 1992*

*\$6,425,000 . . . . . 1993*

*Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.*

*If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.*

*Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.*

*Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.*

*Subd. 7. [TOBACCO USE PREVENTION.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252:*

\$100,000 . . . . . 1992

*The 1992 appropriation includes \$100,000 for 1991.*

*Subd. 8. [ALCOHOL-IMPAIRED DRIVER EDUCATION GRANTS.] For grants for alcohol-impaired driver education according to Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):*

\$620,000 . . . . . 1992

\$620,000 . . . . . 1993

*This appropriation is from the alcohol-impaired driver account of the special revenue fund.*

*Subd. 9. [CAREER TEACHER AID.] For career teacher aid according to Minnesota Statutes, section 124.276:*

\$1,500,000 . . . . . 1992

\$1,500,000 . . . . . 1993

*Any unexpended balance remaining in the first year does not cancel but is available in the second year.*

*Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid may be used for the increased district contribution to the teachers' retirement association and to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.*

*Subd. 10. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives:*

\$1,000,000 . . . . . 1992

*Any unexpended balance remaining in 1992 does not cancel but is available in 1993.*

*Subd. 11. [NETT LAKE LIABILITY INSURANCE.] For a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06:*

\$40,000 . . . . . 1992

*This sum is available until June 30, 1993.*

*Subd. 12. [NETT LAKE UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 707, Nett Lake, for transfer to the appropriate state agency for unemployment compensation:*

*\$30,000 . . . . . 1992*

*This sum is available until June 30, 1993.*

*Subd. 13. [HEALTH AND WELLNESS GRANTS.] For grants for health and wellness program sites for substitute teachers and program materials:*

*\$45,000 . . . . . 1992*

*\$45,000 . . . . . 1993*

*Subd. 14. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For operating expenses of the Minnesota education in agriculture leadership council:*

*\$25,000 . . . . . 1992*

*\$25,000 . . . . . 1993*

*Subd. 15. [MINNESOTA PRINCIPAL ASSESSMENT CENTER.] For the Minnesota principal assessment center:*

*\$70,000 . . . . . 1992*

*\$70,000 . . . . . 1993*

*Subd. 16. [COMPUTER ASSISTED INSTRUCTIONAL STRATEGY GRANTS.] For grants to school districts of up to \$10,000 for each site in a district to purchase or lease computer assisted instructional strategy software:*

*\$250,000 . . . . . 1992*

*Software obtained with grant money shall include programmed teaching instructions that allow for individualized student learning. The commissioner shall give preference to districts with a high level of low-achieving or at-risk pupils. A grant is contingent upon a district providing money to match the grant money.*

*The appropriation is available until June 30, 1993.*

*Subd. 17. [RESEARCH AND IMPROVEMENT GRANTS.] For a collaborative grant program allowing school districts, with the assistance of post-secondary faculty, to develop research projects:*

*\$31,000 . . . . . 1992*

*\$31,000 . . . . . 1993*

*Subd. 18. [GRANTS FOR CHILDREN WITH MENTAL HEALTH PROBLEMS.] For grants for demonstration projects for children with mental health problems:*

*\$250,000 . . . . . 1992*

*\$250,000 . . . . . 1993*

*Sec. 17. [REPEALER.]*

*Minnesota Statutes 1990, sections 124.252; 124C.41, subdivision 7; and 125.231, are repealed.*



ARTICLE 9  
MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. [WAIVER OF 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 1 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 an agreement under section 122.541 or 122.535 entered into after January 1 a pupil is assigned to a different school, the pupil may submit an application to a nonresident district after January 1 but before June 1 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.

(c) *Notwithstanding subdivision 4, if the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363 and that the violation has harmed the actual educational performance or potential educational performance of pupils in the district, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time. 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 provisions do not apply.*

Sec. 2. [120.0621] [ENROLLMENT OPTIONS PROGRAMS IN BORDER STATES.]

*Subdivision 1. [OPTIONS FOR ENROLLMENT IN ADJOINING STATES.] Minnesota pupils and pupils residing in adjoining states may enroll in school districts in the other state according to:*

- (1) *section 120.08, subdivision 2; or*
- (2) *this section.*

*Subd. 2. [PUPILS IN MINNESOTA.] A Minnesota resident pupil may enroll in a school district in an adjoining state if the district is located in a county that borders Minnesota.*

*Subd. 3. [PUPILS IN BORDERING STATES.] A non-Minnesota pupil who resides in an adjoining state in a county that borders Minnesota may enroll in a Minnesota school district if either the school board of the district in which the pupil resides or state in which the pupil resides pays tuition to the school district in which the pupil is enrolled. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.*

*Subd. 4. [PROCEDURAL REQUIREMENTS.] Except as otherwise provided in this section, the rights and duties set forth in section 120.062 apply to pupils, parents, and school districts if a pupil enrolls in a nonresident district according to this section.*

*Subd. 5. [AID ADJUSTMENTS.] The state of Minnesota shall make adjustments to general education aid, capital expenditure facilities aid, and capital expenditure equipment aid according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively, for the resident district of a Minnesota pupil enrolled in another state according to this section. The state of Minnesota shall reimburse the nonresident district, according to section 120.08, subdivision 1, in which a Minnesota pupil is enrolled according to this section.*

*Subd. 6. [EFFECTIVE IF RECIPROCAL.] This section is effective with respect to South Dakota upon enactment of provisions by South Dakota that are essentially similar to the rights and duties of pupils residing in districts located in South Dakota counties that border Minnesota. After July 1, 1993, this section is effective with respect to any other bordering state upon enactment of provisions by the bordering state that are essentially similar to the rights and duties of pupils residing in and districts located in counties that border Minnesota.*

**Sec. 3. [120.064] [OUTCOME-BASED SCHOOLS.]**

*Subdivision 1. [PURPOSES.] The purposes of this section are to:*

- (1) improve pupil learning;*
- (2) increase learning opportunities for pupils;*
- (3) encourage the use of different and innovative methods of teaching;*
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;*
- (5) establish new forms of accountability for schools; or*
- (6) create new professional opportunities for teachers and other educators, including the opportunity to be responsible for the learning program at the school site.*

*Subd. 2. [APPLICABILITY.] This section applies only to outcome-based schools formed and operated under this section.*

*Subd. 3. [SPONSOR.] A sponsor may be any of the following:*

- (1) a school board;*
- (2) an education district board;*
- (3) an intermediate district board;*
- (4) a joint powers board formed for educational purposes under section 471.59 if at least one of the members is a school board; or*
- (5) the state board of education.*

*A sponsor may authorize as many outcome-based schools as it sees fit. A sponsor need not authorize any outcome-based schools.*

*Subd. 4. [FORMATION OF SCHOOL.] A sponsor may authorize one or more individuals or an organization to form and operate an outcome-based*

*school. An individual or organization shall organize and operate as a cooperative under chapter 308A or nonprofit corporation under chapter 317A. The sponsor's authorization shall be in the form of a written contract between the sponsor and the board of directors of the outcome-based school.*

*Subd. 5. [CONTRACT.] The contract shall be in writing and contain at least the following:*

*(1) a description of a program that carries out one or more of the purposes in subdivision 1;*

*(2) specific outcomes to be achieved by the pupils according to subdivision 10;*

*(3) admission policies and procedures;*

*(4) management and administration of the school;*

*(5) requirements and procedures for program and financial audits;*

*(6) how the school will comply with subdivisions 8, 13, 15, and 21;*

*(7) assumption of liability by the outcome-based school;*

*(8) types and amounts of insurance coverage to be obtained by the outcome-based school; and*

*(9) the term of the contract which may be up to three years.*

*Subd. 6. [ADVISORY COMMITTEE.] (a) The state board of education shall appoint an advisory committee comprised of ten members. At least two members shall be African American, two members shall be American Indian, two members shall be Asian Pacific American, and two members shall be Hispanic. One of each of the two members shall reside within the seven-county metropolitan area and one shall reside within Minnesota but outside of the seven-county metropolitan area. In addition, at least one of each of the two members shall be a parent of a child in any of the grades kindergarten through 12. As least five of the ten members shall have family incomes that would make them eligible for free or reduced school lunches.*

*(b) Each sponsor listed in subdivision 3 shall request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately Caucasian to establish an outcome-based school in which one-half or more of the pupils are expected to be non-Caucasian.*

*(c) Each sponsor listed in subdivision 3 may request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately non-Caucasian if requested to do so by the individual or organization.*

*Subd. 7. [EXEMPTION FROM STATUTES AND RULES.] Except as provided in this section, an outcome-based school is exempt from all statutes and rules applicable to a school board or school district, although it may elect to comply with one or more provisions of statutes or rules.*

*Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall meet the same health and safety requirements required of a school district.*

*(b) The school must be located in Minnesota. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.*

(c) *The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations.*

(d) *The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.*

(e) *The school may not charge tuition.*

(f) *The school is subject to and shall comply with chapter 363 and section 126.21.*

(g) *The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.*

(h) *The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations are necessary because of the program at the school. The department of education, state auditor, and legislative auditor may conduct financial, program, and compliance audits.*

(i) *The school is a school district for the purposes of tort liability according to chapter 466.*

*Subd. 9. [ADMISSION REQUIREMENTS.] The school may limit admission in any of the following ways:*

(1) *pupils within an age group or grade level;*

(2) *people who have attributes designating them as at risk of failure, as defined in section 126.22;*

(3) *pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; or*

(4) *residents of a specific geographic area if the percentage of the population of non-Caucasian people in the geographic area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, as long as the school is reflective of the racial and ethnic diversity of that area.*

*An eligible pupil who makes timely application shall be accepted, unless the number of applications exceed the capacity of a program, class, grade level, or building. In this case, acceptance of pupils shall be by lot.*

*The school may not limit admission to pupils who have high intellectual ability, high measures of achievement or aptitude, or athletic ability.*

*Subd. 10. [PUPIL PERFORMANCE.] An outcome-based school must design its programs to at least meet the outcomes adopted by the state board of education. In the absence of state board requirements, the school must meet the outcomes as set forth in the contract with the sponsor. The outcomes may exceed any outcomes adopted by the state board.*

*Subd. 11. [EMPLOYEES.] The board of directors of the school shall employ and contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which employed in the school. The board may employ necessary employees*

*who are not required to hold licenses and may contract for other services. The board may discharge teachers and nonlicensed employees.*

*Subd. 12. [HANDICAPPED PUPILS.] The school must comply with sections 120.03 and 120.17 and rules relating to the education of handicapped pupils as though it were a school district.*

*Subd. 13. [LENGTH OF SCHOOL YEAR.] An outcome-based school shall provide instruction each year for at least the number of days required by section 120.101, subdivision 5. It may provide instruction throughout the year according to sections 120.59 to 120.67 or 121.585.*

*Subd. 14. [REPORTS.] An outcome-based school must report at least annually to its sponsor and the state board of education the information required by the sponsor or the state board. The reports are public data under chapter 13.*

*Subd. 15. [TRANSPORTATION.] Transportation for pupils enrolled at a school shall be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in the same district in which the outcome-based school is located. Transportation may be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in a different district.*

*Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or any other public or private organization.*

*Subd. 17. [INITIAL COSTS.] A sponsor may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital.*

*Subd. 18. [DISSEMINATION OF INFORMATION.] The department of education must prepare and make available to the public, directly and through sponsors, information on how to form and operate an outcome-based school and how to make use of the offerings of an outcome-based school.*

*Subd. 19. [LEAVE TO TEACH IN A SCHOOL.] If a teacher employed by a school district makes a written request for an extended leave of absence for up to five years to teach at an outcome-based school, the school district must grant the leave. The school district may permit a leave to extend beyond five years. The school district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty. Except as otherwise provided in this subdivision and except for section 125.60, subdivision 6a, the leave is governed by section 125.60, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.*

*During a leave, the teacher may continue to aggregate benefits and credits in the teachers' retirement association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.*

*Subd. 20. [COLLECTIVE BARGAINING.] Employees of the board of directors of the school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of the school*

is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school are separate from any other units.

*Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] The duration of the contract with a sponsor shall be for the term set forth in the contract according to subdivision 5. The sponsor may or may not renew a contract at the end of the term and may unilaterally terminate a contract during the term of the contract. At least 60 days before not renewing a contract or terminating a contract, the sponsor shall notify the board of directors of the school in writing. The notice shall state the sponsor's grounds in reasonable detail and contain a statement that the board of directors of the school may make a written request for a hearing before the sponsor within 14 days of receiving the notification. If no hearing is requested within the time period, it shall be deemed acquiescence by the board of directors to the sponsor's action. If the board of directors of the school requests a hearing, it must do so in writing within 14 days of receiving the notice. The sponsor shall give reasonable notice to the board of directors of the school of the date set for the hearing and conduct a hearing before taking final action. The sponsor shall take final action to renew, not renew, or terminate by the last day of classes in the school year.*

A contract may be not renewed or terminated upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance set forth in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) for violations of law; or
- (4) other good cause shown.

If a contract is not renewed or terminated, the school shall be dissolved in accordance with the applicable provisions of chapter 308A or 317A.

*Subd. 22. [PUPIL ENROLLMENT.] If a contract is not renewed or is terminated according to subdivision 21, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 120.062 at any time. Applications and notices required by section 120.062 shall be processed and provided in a prompt manner. The application and notice deadlines in section 120.062 do not apply under these circumstances.*

*Subd. 23. [GENERAL AUTHORITY.] The board of directors of an outcome-based school may sue and be sued. The board may not levy taxes or issue bonds.*

*Subd. 24. [IMMUNITY.] A sponsor, members of the board of a sponsor in their official capacity, and employees of a sponsor are immune from civil or criminal liability with respect to all activities related to an outcome-based school it has sponsored. The board of directors shall obtain at least the amount of and types of insurance required by the contract, according to subdivision 5.*

Sec. 4. Minnesota Statutes 1990, section 120.08, subdivision 3, is amended to read:

Subd. 3. [SEVERANCE PAY.] A district shall pay severance pay to a

teacher who is:

(1) placed on unrequested leave of absence by the district ~~because the teacher's position is discontinued~~ as a result of an agreement under this section; ~~and~~

(2) ~~not employed by another district for the school year following the teacher's placement on unrequested leave of absence.~~ A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4; and

(3) severs all employment and reinstatement rights with the district.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

The severance pay ~~shall be equivalent to the teacher's salary for one year and~~ is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 5. Minnesota Statutes 1990, section 120.59, is amended to read:

120.59 [~~FLEXIBLE SCHOOL PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS; PURPOSE.~~]

The purpose of sections 120.59 to 120.67 is to authorize ~~school~~ districts

to evaluate, plan and employ the use of flexible ~~school~~ *learning* year programs. It is anticipated that the open selection of the type of flexible ~~school~~ *learning* year operation from a variety of alternatives will allow each district which seeks to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives shall include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended ~~school~~ *learning* year plans, flexible all-year plans, and four-day week plans.

Sec. 6. Minnesota Statutes 1990, section 120.60, is amended to read:

120.60 [DEFINITION OF FLEXIBLE LEARNING YEAR.]

“Flexible ~~school~~ *learning* year program” means any ~~school~~ district plan approved by the state board of education which utilizes ~~school~~ buildings and facilities during the entire year and/or which provides forms of optional scheduling of pupils and ~~school~~ personnel during the ~~school~~ *learning* year in elementary and secondary schools or residential facilities for handicapped children.

Sec. 7. Minnesota Statutes 1990, section 120.61, is amended to read:

120.61 [ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.]

The ~~school~~ board of any district, with the approval of the state board of education, may establish and operate a flexible ~~school~~ *learning* year program in one or more of the ~~schools~~ *day* or residential facilities for handicapped children within the district.

Sec. 8. Minnesota Statutes 1990, section 120.62, is amended to read:

120.62 [DIVISION OF CHILDREN INTO GROUPS.]

The ~~school~~ board of any district operating a flexible ~~school~~ *learning* year program in one or more of the ~~schools~~ *facilities* within the district shall divide the students of each selected ~~school~~ *facility* into as many groups as necessary to accommodate this program. Students of the same family shall be placed in the same group unless one or more of these students is enrolled in a special education class or unless the parent or guardian of these students requests that the students be placed in different groups. No ~~school~~ board shall discriminate on the basis of race, color, creed, religion, marital status, status with regard to public assistance, sex, or national origin when assigning pupils to attendance groups pursuant to this section.

Sec. 9. Minnesota Statutes 1990, section 120.63, is amended to read:

120.63 [PUBLIC HEARING BEFORE IMPLEMENTATION.]

Prior to implementing a flexible ~~school~~ *learning* year program in any ~~school~~ *facility* of the district, the ~~school~~ board shall negotiate with the teachers, principals, assistant principals, supervisory personnel and employees of the ~~school~~ to the extent required by the public employment labor relations act, and shall consult with the parents of pupils who would be affected by the change, and with the community at large. These procedures shall include at least three informational meetings for which the board has given published notice to the teachers and employees and to the parents of pupils affected.

Sec. 10. Minnesota Statutes 1990, section 120.64, is amended to read:

120.64 [ASSIGNMENT OF TEACHERS.]



Subdivision 1. In school districts where a flexible school learning year program is implemented in fewer than all of the schools facilities maintained by the school district, the board of the school district shall make every reasonable effort to assign qualified teachers who prefer the regular school a traditional schedule to schools facilities of the same level retaining the regular school a traditional schedule.

Subd. 2. A full-time classroom teacher currently employed by a school district which converts to a flexible school learning year program shall not, without the teacher's written consent, be required to teach under this program (1) more or less than the number of scheduled days or their equivalent the schools facilities of the district were maintained during the year preceding implementation of the flexible school learning year program; (2) in a period of the calendar year substantially different from the period in which the teacher taught during the year preceding implementation of the flexible learning year program.

Subd. 3. In no event shall a teacher's continuing contract rights to a position held the year preceding implementation of a flexible school learning year program or teaching experience earned during a probationary period the year preceding implementation be lost or impaired upon adoption of a flexible school learning year program. If the year of teaching preceding implementation was the end of a probationary period, the continuing contract right to a full year's contract which normally would be acquired for the next succeeding school learning year shall be acquired in the year of adoption of the flexible program.

Subd. 4. Any school district operating a flexible school learning year program shall enter into one contract governing the entire school learning year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of 175 days during a school learning year, each 175 days of employment accrued during any five-year period after the adoption of a flexible learning year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full school learning year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew the teacher's contract by the applicable date, as specified in section 125.12 or 125.17, in the year in which the teacher will complete the requisite number of days for securing a continuing contract shall have a continuing full school learning year contract with the district.

Subd. 5. Continuing contract rights established pursuant to this section shall not be impaired or lost by the termination of a flexible school learning year program.

Sec. 11. Minnesota Statutes 1990, section 120.65, is amended to read:  
120.65 [ESTABLISHMENT AND APPROVAL.]

The state board of education shall:

- (1) establish standards and requirements for the qualification of school districts which may operate on a flexible school learning year basis;
- (2) establish standards and evaluation criteria for flexible school learning year programs;
- (3) prepare and distribute all necessary forms for application by any school district for state authorization for a flexible school learning year

program;

(4) review the proposed flexible ~~school~~ *learning* year program of any qualified ~~school~~ district as to conformity to standards and the evaluation of appropriateness of priorities, workability of procedure and overall value;

(5) approve or disapprove proposed flexible ~~school~~ *learning* year programs.

Sec. 12. Minnesota Statutes 1990, section 120.66, is amended to read:

120.66 [POWERS AND DUTIES OF THE STATE BOARD.]

Subdivision 1. The state board of education shall:

(1) Promulgate rules necessary to the operation of sections 120.59 to 120.67;

(2) Cooperate with and provide supervision of flexible ~~school~~ *learning* year programs to determine compliance with the provisions of sections 120.59 to 120.67, the state board standards and qualifications, and the proposed program as submitted and approved;

(3) Provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids;

(4) Consistent with the definition of "average daily membership" in section 124.17, subdivision 2, furnish the board of a district implementing a flexible ~~school~~ *learning* year program with a formula for computing average daily membership. This formula shall be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

Subd. 2. Sections 120.59 to 120.67 shall not be construed to authorize the state board to require the establishment of a flexible ~~school~~ *learning* year program in any district in which the ~~school~~ board has not voted to establish, maintain, and operate such a program.

Sec. 13. Minnesota Statutes 1990, section 120.67, is amended to read:

120.67 [TERMINATION OF PROGRAM.]

The ~~school~~ board of any district, with the approval of the state board of education, may terminate a flexible ~~school~~ *learning* year program in one or more of the ~~schools~~ *day* or residential facilities for handicapped children within the district. This section shall not be construed to permit an exception to section 120.101 or 124.19.

Sec. 14. Minnesota Statutes 1990, section 121.931, subdivision 6a, is amended to read:

Subd. 6a. [DATA STANDARD COMPLIANCE.] The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data. *The department shall develop standard editing checks for data submitted and shall provide these to districts and regional centers.*

Sec. 15. Minnesota Statutes 1990, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council and the information policy office of the department of administration, shall approve or disapprove the following, according to the criteria in section 121.937 and rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935; *and*

~~(b) the transfer by a district of its affiliation from one regional management information center to another;~~

~~(c) the use by a district of a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system management information systems pursuant to section 121.936, subdivisions 2 to 4; and~~

~~(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.~~

Sec. 16. Minnesota Statutes 1990, section 121.931, subdivision 8, is amended to read:

Subd. 8. [RULES.] The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 121.932, ~~subdivisions 4 and subdivision 2.~~ The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 17. Minnesota Statutes 1990, section 121.932, subdivision 2, is amended to read:

Subd. 2. [DATA ACQUISITION CALENDAR.] The department of education shall maintain a current annual data acquisition calendar specifying the reports which ~~districts are required to provide to the department; the reports which regional management information centers are required to provide must be provided to the department for their affiliated districts,~~ and the dates ~~when~~ these reports are due.

Sec. 18. Minnesota Statutes 1990, section 121.932, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 14.] Except as provided in section 121.931, subdivision 8, the ~~data element dictionary,~~ annual data acquisition calendar, ~~and~~ the essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt

rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 19. Minnesota Statutes 1990, section 121.932, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~where it shall be assembled and transmitted~~ or to the department in the form and format prescribed by the department.

Sec. 20. Minnesota Statutes 1990, section 121.933, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of technical colleges, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, ~~by the Minnesota educational computing consortium~~, by a regional management information center or by any other appropriate provider.

Sec. 21. Minnesota Statutes 1990, section 121.934, subdivision 7, is amended to read:

Subd. 7. [ADVISORY DUTIES.] (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

(1) the development of the long-range plan and the systems architecture plan;

(2) the development of applications software for ESV-IS and SDE-IS;

(3) the approval of the creation ~~and alteration~~ of regional management information centers;

(4) the approval of ~~the use by districts~~ of alternative management information systems; ~~and~~

(5) the statewide applicability of alternative management information systems proposed by districts; ~~and~~

~~(6) the approval of annual and biennial plans and budgets of regional management information centers; and~~

~~(7) the monitoring and enforcement of compliance with data standards.~~

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

(1) the consistency of the standards for finance, property, student and personnel/payroll data with one another;

(2) the implications of the standards for implementation of ESV-IS and SDE-IS; and

(3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 22. Minnesota Statutes 1990, section 121.935, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center ~~which is not in existence on July 1, 1979~~ shall not come into existence until the first July 1 of an ~~odd-numbered year~~ after its creation is approved by the state board or until it can be accommodated by state appropriations, which-ever occurs first. *Each member of the center board shall be a current member of a member school board.*

Sec. 23. Minnesota Statutes 1990, section 121.935, subdivision 4, is amended to read:

Subd. 4. [~~BIENNIAL ANNUAL BUDGET ESTIMATES.~~] Every regional management information center shall submit to the department by July 1 ~~of each even-numbered year a biennial~~ *an annual* budget estimate for its administrative and management computer activities. The ~~biennial~~ budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center ~~for the appropriate fiscal years.~~ Budget forms developed pursuant to section 16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental ~~biennial~~ budget summary for the statewide elementary, secondary, and vocational management information system. Copies of ~~this supplemental biennial~~ *the* budget summary shall be provided to the ESV computer council and the department of finance, and shall be available to the legislature upon request.

Sec. 24. Minnesota Statutes 1990, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional ~~debt obligations, as defined in section 475.51, for computer hardware.~~ If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional ~~debt obligation.~~ The district is not liable for any additional outstanding regional ~~debt obligations that occurs~~ *occur* after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. *If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.*

Sec. 25. Minnesota Statutes 1990, section 121.935, is amended by adding

a subdivision to read:

*Subd. 8. [COMPUTER HARDWARE PURCHASE.] A regional management information center may not purchase or enter into a lease-purchase agreement for computer hardware in excess of \$100,000 without unanimous consent of the center board.*

Sec. 26. Minnesota Statutes 1990, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide *financial management accounting* reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 27. Minnesota Statutes 1990, section 121.936, subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.] A district may be exempted from the requirement in subdivision 1, clause (b)(2), if it ~~receives the approval of the state board to use~~ *uses* another financial management information system *approved by the state board*. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. ~~A district may be exempted from the requirement in subdivision 1a, clause (b), if it receives the approval of the state board to use~~

~~an alternative fixed assets property management information system.~~ Any district desiring to use another management information system *not previously approved by the state board* shall submit a detailed proposal to the state board and the ESV computer council. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 28. Minnesota Statutes 1990, section 121.936, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE SYSTEMS; STATE BOARD.] Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. *Notwithstanding any law to the contrary, when an alternative system has been approved by the state board, another district may use the system without state board approval.* A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Sec. 29. Minnesota Statutes 1990, section 121.937, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL CRITERIA.] The criteria adopted by the state board for approval of the creation of a regional management information center; ~~the transfer of a school district's affiliation from one regional management information center to another;~~ and the approval of an alternative management information system shall include:

- (a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;
- (b) The cost effectiveness of the proposed center; ~~transfer~~ or alternative;
- (c) The effect of the proposed center; ~~transfer~~ or alternative on existing regional management information centers; and
- (d) Whichever of the following is applicable:
  - (i) The ability of a proposed center to comply with section 121.935, ~~or the effect of a transfer on a center's ability to comply with section 121.935;~~ or
  - (ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or
  - (iii) The ability of a proposed alternative fixed assets property management information system to comply with ~~sections section 121.936, subdivision 1, clause (b)(1); and 121.936, subdivision 1a, clause (a).~~

Sec. 30. Minnesota Statutes 1990, section 122.41, is amended to read:

122.41 [POLICY DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.]

~~The policy of the state is to encourage organization of school districts into units of administration to afford better educational opportunities for all pupils; make possible more economical and efficient operation of the schools; and~~

~~insure more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining~~ Each school district shall maintain classified elementary and secondary schools, grades 1 through 12, unless ~~a~~ the district is exempt according to section 122.34 or 122.355, has made an agreement with another district or districts as provided in sections 122.535, 122.541, or sections 122.241 to 122.248, or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495, or unless all of the pupils in one or more grades are enrolled in an outcome-based school, established according to section 3. A district that has an agreement according to sections 122.241 to 122.248 or 122.541 shall operate a school with the number of grades required by those sections. A district that has an agreement according to section 122.535 or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495 shall operate a school for the grades not included in the agreement, but not fewer than three grades. A district in which all of the pupils in one or more grades are enrolled in an outcome-based school shall operate at least three grades.

Sec. 31. Minnesota Statutes 1990, section 122.535, subdivision 6, is amended to read:

Subd. 6. [SEVERANCE PAY.] A district shall pay severance pay to a teacher who is:

(1) placed on unrequested leave of absence by the district ~~because the teacher's position is discontinued~~ as a result of the agreement; and

(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4; and

(3) severs all employment and reinstatement rights with the district.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six



*months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.*

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 32. Minnesota Statutes 1990, section 122.541, subdivision 7, is amended to read:

Subd. 7. [MEETING LOCATION.] Notwithstanding any law to the contrary, school boards that have an agreement may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting. *A school board that has an agreement may hold a meeting in any district that is a party to the agreement. The school board shall comply with section 471.705 and any other law applicable to a meeting of a school board.*

Sec. 33. [122.895] [EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, "teacher" means a teacher as defined in section 125.12, subdivision 1, who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent. "Cooperative" means any district or center to which this section applies.*

*Subd. 2. [APPLICABILITY.] This section applies to:*

*(1) an education district organized according to sections 122.91 to 122.95;*

*(2) a cooperative vocational center organized according to section 123.351;*

*(3) a joint powers district or board organized according to section 471.59;*

*(4) a joint vocational technical district organized according to sections 136C.60 to 136C.69; and*

*(5) an intermediate district organized according to chapter 136D.*

*Subd. 3. [NOTIFICATION OF TEACHERS.] In any year in which a cooperative dissolves or a member withdraws from a cooperative, the governing board of a cooperative shall provide all teachers employed by the cooperative written notification by March 10 of:*

*(1) the dissolution of the cooperative and the effective date of dissolution; and*

*(2) the withdrawal of a member of the cooperative and the effective date of withdrawal.*

*Subd. 4. [RIGHTS OF TEACHERS TENURED IN A MEMBER DISTRICT UPON DISSOLUTION.] (a) This subdivision applies to a teacher who:*

- (1) had a continuing contract with a member district;*
- (2) has been continuously employed after leaving the member district by one or more cooperatives that provided instruction to resident pupils of the member district; and*
- (3) is either a probationary teacher or has a continuing contract with the cooperative that is dissolving.*

*(b) A teacher may elect to resume the teacher's continuing contract with the member district by filing a written notice of the election with the member school board. A teacher who does not file written notice by March 20 may not exercise any rights accorded by this subdivision.*

*The member district shall make reasonable realignments of course assignments for the protection of the seniority rights of a teacher resuming continuing contract rights in the member district according to this subdivision. The teacher does not have a right to the same part of a position that the teacher held in the cooperative.*

*Upon returning the teacher shall receive credit for:*

*(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority and employment benefits; and*

*(2) the teacher's current educational attainment on the member district's salary schedule.*

*(c) A teacher who does not elect to return to a member district according to this subdivision may exercise rights under subdivision 5.*

*Subd. 5. [RIGHTS OF OTHER TEACHERS UPON DISSOLUTION.] (a) This subdivision applies to a teacher who:*

- (1) has a continuing contract with the cooperative; and*
- (2) either did not have a continuing contract with any member district or does not elect to return to a member district.*

*(b) By May 10, the cooperative shall provide to each teacher described in subdivision 4 and this subdivision a written notice of available teaching positions in the districts providing services through the cooperative at the time of dissolution. Available teaching positions are all teaching positions that, during the school year following dissolution:*

*(1) require a license under which instruction has been provided by the cooperative during the three years preceding dissolution, or other vacant positions for which the teacher is licensed; and*

*(2) are not assigned to a nonprovisionally licensed, continuing contract teacher employed by the member school districts in order to accommodate the seniority rights of teachers employed by the member district, according to section 125.12, subdivision 6a or 6b.*

*(c) On or before June 15, any teacher wishing to do so must file with the school board a written notice of the teacher's intention to exercise the teacher's rights for an available teaching position for which the teacher is licensed.*

*(d) This paragraph applies to a district that was a member of a dissolved cooperative and any other district providing instruction that was provided by the dissolved cooperative to pupils residing in a district that was a member of the dissolved cooperative. Except as provided in this paragraph, for five years following dissolution of a cooperative, a district may not appoint a new teacher or assign a probationary or provisionally licensed teacher to any position requiring licensure in a field in which the dissolved cooperative provided instruction. An appointing or assigning district shall provide each teacher formerly employed by the dissolved cooperative who holds the requisite licensure with written notice of a position's availability at least 30 days prior to the appointment or assignment. If no such teacher files a written request to be appointed to the position with the board of education within 21 days of receiving the notice, the district may fill the position as it sees fit. During any part of and the first full school year following dissolution, a teacher may file a request for an appointment according to this paragraph regardless of prior contractual commitments with other member districts.*

*(e) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of experience and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits according to the collective bargaining agreement with the dissolved cooperative.*

**Subd. 6. [RIGHTS OF TEACHERS TENURED IN A MEMBER DISTRICT UPON WITHDRAWAL OF THE DISTRICT.]** *(a) This subdivision applies to a teacher who:*

*(1) had a continuing contract with a member district which withdraws from a cooperative;*

*(2) has been continuously employed after leaving the member district by one or more cooperatives that provided instruction to resident pupils of the member district; and*

*(3) is either a probationary teacher or has a continuing contract with the cooperative from which the member district is withdrawing.*

*(b) A teacher may elect to resume the teacher's continuing contract with the withdrawing district by filing a written notice of the election with the withdrawing school board. A teacher who does not file written notice by March 20 may not exercise any rights accorded by this subdivision.*

*The member district shall make reasonable realignments of course assignments for the protection of the seniority rights of a teacher resuming continuing contract rights in the member district according to this subdivision. The teacher does not have a right to the same part of a position that the teacher held in the cooperative.*

*Upon returning, the teacher shall receive credit on the district's salary schedule for the teacher's years of experience and the teacher's current educational attainment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits according to the collective bargaining agreement with the cooperative.*

**Subd. 7. [RIGHTS OF TEACHER PLACED ON UNREQUESTED**

LEAVE UPON WITHDRAWAL.] (a) *This subdivision applies to a teacher who is placed on unrequested leave of absence by a cooperative from which a member district is withdrawing.*

(b) *A teacher shall be appointed by the withdrawing district, or by any other district providing instruction to the withdrawing district's resident pupils in subject areas in which the pupils received instruction from the cooperative, to a teaching position within fields of licensure in which the cooperative provided instruction to resident pupils of the withdrawing district. For the purpose of this subdivision, an available teaching position includes any position that after June 1 is vacant or occupied by a probationary or provisionally licensed teacher.*

(c) *A board may not appoint a new teacher to any available teaching position unless no teacher on unrequested leave from the cooperative has filed a written request for appointment. The request shall be filed with the board of the appointing district within 30 days of receiving written notice from the appointing board that a position is available.*

(d) *A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the district's salary schedule for the teacher's years of experience and the teacher's educational attainment at the time of appointment.*

*Subd. 8. [NONLICENSED EMPLOYEES UPON DISSOLUTION.] A nonlicensed employee of a dissolved cooperative may be appointed by a district that is a member of the dissolved cooperative to a position that is available at the time of the dissolution of the cooperative.*

*Subd. 9. [NONLICENSED EMPLOYEES UPON WITHDRAWAL.] A nonlicensed employee of a cooperative whose position is discontinued as a result of withdrawal of a district from a cooperative may be appointed by a district that withdraws to a position that is available at the time of withdrawal.*

Sec. 34. Minnesota Statutes 1990, section 123.34, subdivision 10, is amended to read:

*Subd. 10. [PRINCIPALS.] Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.*

*Each principal assigned the responsibility for the supervision of a school building shall hold a valid ~~certification~~ license in the assigned position of supervision and administration as established by the rules of the state board of education.*

*The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.*

Sec. 35. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

*Subd. 20. [LEGAL COUNSEL; REIMBURSEMENT.] If reimbursement is requested by a school district employee, the board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the person to defend criminal charges brought against the person arising out of the performance of duties for the school district. A board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the board is unavailable to vote on the reimbursement, the reimbursement shall be approved by a judge of the district court.*

Sec. 36. Minnesota Statutes 1990, section 123.3514, subdivision 4, is amended to read:

*Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.*

Sec. 37. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

*Subd. 6c. [SCHOOL DISTRICT AID PAYMENTS.] For a pupil attending a post-secondary institution under this section, whether or not the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to:*

*(1) for a pupil who attends a secondary school part-time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to the total number of hours made available by the district to 11th and 12th grade pupils for instructional purposes; and*

*(2) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3.*

Sec. 38. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

*Subd. 6d. [POST-SECONDARY FINANCIAL ARRANGEMENTS.] With the assistance of the commissioner of finance, the state board of education may enter into an agreement with each of the following: the board of regents of the University of Minnesota, state university board, state board for community colleges, state board for technical colleges, and representatives of each private college that admits pupils according to this section. The agreement shall establish a fee for a pupil attending a post-secondary institution full time, as determined by the post-secondary system or institution, and a fee per credit, or the equivalent for a program for a technical college, for a pupil attending a post-secondary institution part time. The fee may include reimbursement for part or all of the tuition, textbooks,*

*materials, and other charges directly related to courses taken by secondary pupils.*

*Each quarter or semester, each public post-secondary institution shall report to the system the number of full-time pupils and the number of credits taken by part-time pupils. The system shall aggregate the information and report it to the commissioner of finance. Each private post-secondary institution shall report to the commissioner of finance the number of full-time pupils and the number of credits taken by part-time pupils. The reports may be based upon preliminary enrollment information. Actual enrollment information shall be included in a report for a subsequent quarter or semester.*

*The commissioner of finance shall reduce the appropriation for general education aid by the amounts due to the public post-secondary systems and the private colleges. The commissioner shall increase the appropriations for each public post-secondary system and make payments to each private college for the amounts due.*

*If an agreement is not reached with a board of a post-secondary system or with representatives of the private colleges, the department of education shall make payments to post-secondary institutions of that system or to private colleges, as applicable, according to subdivisions 6 and 6b, except that payment for an academic year shall be made by October 31 of the following academic year.*

Sec. 39. Minnesota Statutes 1990, section 123.40, is amended by adding a subdivision to read:

*Subd. 9. [RESEARCH AND EVALUATION PROJECTS.] A school district may not conduct a program research or evaluation project except under the direction of the school board. A project may be implemented only by a resolution adopted by the board. The results of any project shall be part of the board's official proceedings and published or mailed according to section 123.33, subdivisions 11 and 11a.*

Sec. 40. 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.*

Sec. 41. [124.248] [REVENUE FOR AN OUTCOME-BASED SCHOOL.]

*Subdivision 1. [GENERAL EDUCATION REVENUE.] General education revenue shall be paid to an outcome-based school as though it were a school district. The general education revenue for each pupil unit is the state average general education revenue per pupil unit, calculated without compensatory revenue, plus compensatory revenue as though the school were a school district.*

*Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT REVENUE.] Capital expenditure equipment aid shall be paid to an outcome-based school according to section 124.245, subdivision 6, as though it were a school district. Capital expenditure equipment aid shall equal capital expenditure equipment revenue. Notwithstanding section 124.244, subdivision 4, an*

*outcome-based school may use the revenue for any purpose related to the school.*

*Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.*

*Subd. 4. [OTHER AID, GRANTS, REVENUE.] An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.*

*Subd. 5. [USE OF STATE MONEY.] Money received from the state may not be used to purchase land or buildings. The school may own land and buildings if obtained through nonstate sources.*

Sec. 42. Minnesota Statutes 1990, section 125.09, subdivision 4, is amended to read:

*Subd. 4. [MANDATORY REPORTING.] A school board shall report to the board of teaching, the state board of education, or the state board of technical colleges, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school board under section 125.17, subdivisions 4, clauses (1), (2), and (3), and 5, or after charges are filed that are ground for discharge under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an investigation is pending under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e); 125.17, subdivisions 4, clauses (1), (2), and (3), and 5; or 626.556. The report must be made to the board within ten days after the discharge, suspension, or resignation has occurred. The board to which the report is made shall investigate the report for violation of subdivision 1 and the reporting school board shall cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the teacher's license, a school board or school superintendent shall provide the licensing board with information about the teacher from the school district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a school board or school superintendent may, at the discretion of the school board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the school district. Any data transmitted to any board under this section shall be private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.*

*The board to which a report is made shall transmit to the attorney general's*

*office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.*

**Sec. 43. [125.191] [LICENSE, DEGREE EXEMPTION FOR HEAD COACH.]**

*(a) Notwithstanding section 125.03, subdivision 1, a school district may employ as a head varsity coach of an interscholastic sport at its senior high school a person who does not have a license as head varsity coach of interscholastic sports and who does not have a bachelor's degree if:*

*(1) in the judgment of the school board, the person has the fundamental knowledge and experience necessary to coach the sport; and*

*(2) the person can verify completion of six quarter credits, or the equivalent, or 60 clock hours of instruction on first aid and the care and prevention of athletic injuries.*

*(b) Notwithstanding section 125.121, a person employed as a head varsity coach under this section has an annual contract as a coach that the school board may or may not renew as the board sees fit.*

**Sec. 44. Minnesota Statutes 1990, section 126.266, subdivision 2, is amended to read:**

**Subd. 2.** A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 125.12; ~~and not more than two years shall be credited to the teacher for purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which the teacher becomes licensed.~~ *For purposes of section 125.17, a teacher shall receive credit equal to the number of years the teacher served under an exemption.*

**Sec. 45. Minnesota Statutes 1990, section 126.666, subdivision 1, is amended to read:**

**Subdivision 1. [ADOPTING POLICIES.]** A school board shall adopt each year a written PER policy that includes the following:

(1) district curriculum goals;

(2) learner outcomes for each subject area at each grade level ~~that include the essential learner outcomes adopted by the state board under section 126.663, subdivision 2;~~

(3) a process for evaluating each student's progress toward attaining learner outcomes and for identifying strengths and weaknesses of the curriculum;

(4) a system for establishing a review cycle for all curriculum;

(5) curriculum and instruction improvement plans; and



(6) ~~an instruction plan that includes education effectiveness processes developed according to section 121.608~~ and integration of curriculum and technology.

*School boards which adopt district PER policies which are inconsistent with the recommendations of the curriculum advisory committee established in subdivision 2 must provide a written explanation for the discrepancies to the committee.*

Sec. 46. Minnesota Statutes 1990, section 126.666, subdivision 2, is amended to read:

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process, *including the development of the district's annual PER policy and the review of proposed instructional materials, as defined in section 48, subdivision 4.* The advisory committee shall be representative of the community served by the district and include principals, teachers, parents, support staff, and other community residents. ~~Whenever possible,~~ Parents and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs ~~enumerated in section 124A.27,~~ that the committee determines should be offered. The recommendations shall be based on district needs and priorities.

Sec. 47. [126.667] [PARENT PETITION FOR CURRICULUM REVIEW.]

*Subdivision 1. [PETITION.] Upon receipt of a petition signed by the parents of a school district, a school board shall conduct a meeting to review the issue, or issues, identified by the petition. A petition shall be effective if it is signed by 15 percent of the parents of pupils enrolled in the district.*

*Subd. 2. [PUBLIC MEETING.] The school board meeting described in subdivision 1 shall be held for the purpose of discussing the board's rationale for adopting or rejecting the curriculum content identified in the petition authorized in subdivision 1. The school board's decisions regarding curriculum scope and sequence, and the integration of curricular subject areas shall also be reviewed if requested in the petition.*

Sec. 48. [126.73] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 48 to 50.*

*Subd. 2. [ACADEMIC AND OCCUPATIONAL INSTRUCTION.] "Academic and occupational instruction" means the teaching of pupils in public education in the subject areas of mathematics; natural sciences; foreign languages; English and literature; agriculture; home economics and family living; vocational, industrial, and technical education; business and distributive education; history; geography; government; fine arts; health and physical education; and other subject areas that can be similarly classified.*

*Subd. 3. [PERSONAL DEVELOPMENT AND RELATED INSTRUCTION.] "Personal development and related instruction" means the teaching of pupils in public education beliefs, values, and choices regarding drugs, sex, and sexual behavior, birth control, suicide and death, family relationships, spirituality, meditation, personal identity, and other subject areas that can be similarly classified.*

*Subd. 4. [INSTRUCTIONAL MATERIALS.] "Instructional materials" means the medium used by instructors to communicate with pupils in public education and includes, but is not limited to, textbooks, teacher manuals, filmstrips and videos, handouts, and visual displays.*

**Sec. 49. [126.74] [FINDINGS OF THE LEGISLATURE.]**

*The legislature finds that the parent of a child is primarily responsible for assuring that the child acquires beliefs, knowledge, and skills that foster a responsible lifestyle, effective citizenship, and an appreciation for one's cultural heritage. As such, the parent should be empowered to fulfill this responsibility within the public education system. Further, the legislature finds that the mission of public education is best accomplished through student mastery of academic and occupational instruction subject areas.*

**Sec. 50. [126.75] [PUBLIC INSPECTION OF INSTRUCTIONAL MATERIALS.]**

*Upon request, instructional materials must be made available by schools for public inspection in a reasonably expeditious and convenient manner, with parents of pupils in public education being given priority over other members of the general public.*

**Sec. 51. [126.76] [PARENTAL RIGHTS.]**

*Subdivision 1. [PARENTAL APPROVAL.] Notwithstanding any law to the contrary, parents have the right to approve or disapprove the participation of their child in personal development and related instruction whether it is a separate course or included in another subject area. School boards are encouraged to organize the instruction in personal development and related areas as electives to facilitate the implementation of this provision or adopt alternative methods of instruction to encourage participation.*

*Subd. 2. [WRITTEN NOTICE.] On an annual basis, school boards shall provide written information to parents regarding courses or programs which, in whole or in part, contain personal development and related instruction.*

*The notice shall briefly describe the content and goals of the course or program and provide the parents the opportunity to indicate their permission for their child to participate.*

*Parents must respond to the district's notification no less than five working days prior to the beginning of the course. Failure of parents to respond to the district's written notification shall be considered as consenting to their child's participation in personal development and related instruction.*

*Subd. 3. [PUPIL PROTECTION.] A pupil in public education may not be penalized or denied graduation as a result of any permissible parental action taken under this section or as a result of not participating in personal development and related instruction. Parents may accept the responsibility for their child's achievement of any required learner outcomes affected by their decision if the district does not have an alternative.*

**Sec. 52. Minnesota Statutes 1990, section 128C.01, is amended by adding a subdivision to read:**

*Subd. 5. [CERTAIN COMMERCIAL RELATIONSHIPS PROHIBITED.] The board may not enter into corporate partnerships or similar agreements with any business or commercial organization that sells products or services used by student or adult participants in league activities while they participate in activities regulated by the league. The board may sell advertising*

*to any such business or organization if the advertising is clearly identified as advertising paid for by the business or commercial organization.*

Sec. 53. [181A.13] [BETWEEN 12:30 A.M. AND 6:00 A.M.]

*It is unlawful for an employer to have a 16 or 17 year old person work between 12:30 a.m. and 6:00 a.m. on any day except under direct adult supervision, and then, on an instructional day, only if there are at least eight hours after the person's work ends and the person's instructional day begins.*

Sec. 54. Minnesota Statutes 1990, section 203B.085, is amended to read:

**203B.085 [COUNTY AUDITOR'S OFFICE TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.]**

The county auditor's office in each county must be open for acceptance of absentee ballot applications and casting of absentee ballots between the hours of 1:00 to 3:00 p.m. on Saturday and 5:00 to 7:00 p.m. on Monday immediately preceding a primary or general election. *The school district clerk, when performing the county auditor's election duties, need not comply with this section.*

Sec. 55. Minnesota Statutes 1990, section 214.10, is amended by adding a subdivision to read:

*Subd. 9. [ACTS AGAINST MINORS.] (a) As used in this subdivision, the following terms have the meanings given them.*

*(1) "Licensed person" means a person who is licensed under this chapter by the board of nursing, the board of psychology, the social work licensing board, the board of marriage and family therapy, the board of unlicensed mental health service providers, or the board of teaching.*

*(2) "Crime against a minor" means conduct that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.215, 609.221, 609.222, 609.223, 609.342, 609.343, 609.345, or a felony violation of section 609.377.*

*(b) In any license revocation proceeding, there is a rebuttable presumption that a licensed person who is convicted in a court of competent jurisdiction of committing a crime against a minor is unfit to practice the profession or occupation for which that person is licensed.*

Sec. 56. Minnesota Statutes 1990, section 245A.03, subdivision 2, is amended to read:

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

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

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

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

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

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

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

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

(10) programs licensed by the commissioner of corrections;

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

(12) programs whose primary purpose is to provide social or recreational activities for adults or school-age children, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

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

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

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

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

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

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

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

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

Sec. 57. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the *current budget and* proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable

the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 58. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, ~~a property tax levy, to review its current budget and proposed property taxes payable the following year at a public hearing.~~ The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to ~~the current budget hearings or to adoption of a budget;~~ in regard to proposed property taxes.

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of . . . . .

The governing body of . . . . . will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199\_\_\_/school district services that will be provided in 199\_\_\_ and 199\_\_\_).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199\_\_\_ if the budget now being considered is approved.

199__	Proposed 199__	199__ Increase
Property Taxes	Property Taxes	or Decrease
\$ . . . . .	\$ . . . . .	. . . . . %

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, *or in the case of a school district, its current budget and proposed property taxes, payable the following year.* The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Sec. 59. 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 *review its current budget and* 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, 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. 60. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] *(a) Except as provided in paragraph (b), interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.*

*(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.*

Sec. 61. Minnesota Statutes 1990, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment



sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 23, paragraph (c), or subdivision 25, paragraph ~~(d)(1)~~ or ~~(c)(4), clause (5)~~, in for which ~~event~~ the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, *except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located.*

Sec. 62. Minnesota Statutes 1990, section 364.09, is amended to read:  
364.09 [EXCEPTIONS.]

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, *to eligibility for a license issued or renewed by the board of teaching or state board of education*, to eligibility for school bus driver endorsements, or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 63. Minnesota Statutes 1990, section 631.40, is amended to read:

631.40 [JUDGMENT ON CONVICTION; JUDGMENT ROLL DEFINED.]

*Subdivision 1.* When judgment upon a conviction is rendered, the court administrator shall enter the judgment upon the minutes, stating briefly the offense for which the conviction was had. The court administrator shall then immediately attach together and file the papers specified in clauses (1) to (5). The judgment roll consists of the papers specified in clauses (1) to (5):

(1) a copy of the minutes of challenge made by the defendant to the panel of the grand jury, or to an individual grand juror, and the proceedings and decisions on the challenges;

(2) the indictment or complaint and a copy of the minutes of the plea or motion to dismiss or to grant appropriate relief;

(3) a copy of the minutes of a challenge made to the panel of the trial jury or to an individual juror, and the proceedings and decision on the challenge;

(4) a copy of the minutes of the trial; and

(5) a copy of the minutes of the judgment.

*Subd. 2. [CRIMES AGAINST MINORS.] When a person is convicted of committing a crime against a minor as defined in section 214.10, subdivision 9, the court shall order that the presentence investigation include information about any professional or occupational license held by the offender. If the offender is a licensed person under section 214.10, subdivision 9, the court administrator shall send a certified copy of the conviction to the board having jurisdiction over the offender's license. Within 30 days of receiving notice of the conviction, the appropriate licensing board must initiate proceedings to consider revoking the offender's license.*

**Sec. 64. [DEPARTMENT OF FAMILIES AND CHILDREN TASK FORCE.]**

*Subdivision 1. [DEPARTMENT ESTABLISHED.] By July 1, 1993, a department of families and children shall be implemented to provide coordinated social services to support families and children.*

*Subd. 2. [TASK FORCE ESTABLISHED.] A task force is established to develop procedures to implement the department of families and children. The procedures shall include programmatic, financial, statutory, personnel, and other changes needed to make the department operational by July 1, 1993.*

*Subd. 3. [MEMBERSHIP AND CHAIR.] The task force shall be composed of:*

*(1) three members of the senate, appointed by the subcommittee on committees of the committee on rules and administration;*

*(2) three members of the house of representatives appointed by the speaker;*

*(3) the commissioner of education;*

*(4) the commissioner of human services; and*

*(5) the commissioner of health.*

*The members of the task force shall elect a chair from among the membership.*

*Subd. 4. [COORDINATED SOCIAL SERVICES.] The task force shall review health and social services and related support services currently provided to families and children of all ages by the departments of education, human services, health, and other state agencies. These services shall be combined under a single state department to provide more effective and efficient services.*

*Subd. 5. [STAFF.] Staff assistance shall be provided by legislative staff*

*or agency staff or both, as determined by the task force.*

*Subd. 6. [INFORMATION.] Upon request of the task force, state agencies shall provide information needed to assist the task force in its duties.*

*Subd. 7. [REPORT TO LEGISLATURE.] The task force shall submit a progress report to the legislature by January 1, 1992, and a final report by January 1, 1993.*

*Subd. 8. [EXPIRATION.] The task force shall expire June 30, 1993.*

**Sec. 65. [APPLICABILITY OF TEACHER RIGHTS UNDER DISSOLUTION OF A COOPERATIVE.]**

*Section 33 applies to the dissolution of a cooperative or the withdrawal of any member district from a cooperative that is effective after February 1, 1991, except that the deadlines do not apply in 1991.*

**Sec. 66. [REGIONAL CENTER EXPENDITURE LIMIT.]**

*For fiscal year 1991, a regional management information center may not spend more money than the amount approved by the state board in June 1990.*

**Sec. 67. [RETROACTIVE EFFECT OF SEVERANCE PAY.]**

*Notwithstanding the effective date of Laws 1990, chapter 562, article 6, section 6, a district shall pay severance pay, according to section 31, to a teacher who was placed on unrequested leave of absence as a result of an agreement for secondary education according to Minnesota Statutes 1990, section 122.535, effective on or about the close of the 1989-1990 school year, if the teacher is otherwise eligible according to section 31. The amount of the severance pay shall be the amount set forth in section 31.*

**Sec. 68. [WAIVER AND PRINCIPAL LICENSURE RULE.]**

*A district that is subject to section 34 shall be granted a waiver to allow an elementary school principal or a secondary school principal to serve as principal of a school enrolling pupils in kindergarten through 12th grade for two school years following adoption of the rules. The state board of education shall adopt rules for licensure of a principal for kindergarten through 12th grade. An individual who holds a valid elementary or secondary school license on April 1, 1991, shall be granted a K-12 principal license without fulfilling the requirements of the rule if the individual applies for the license within 24 months after the license becomes available.*

**Sec. 69. [STATE BOARD REVIEW OF STATE POLICIES REGARDING THE INTEGRATION OF CURRICULAR SUBJECT AREAS.]**

*The state board of education shall conduct a review of state policies regarding the integration of curricular subject areas.*

*In conducting its review, the state board shall identify all laws and rules which require the integration of curricular subject areas and the curricular subject areas to be integrated. The state board shall also review the state's role and practices in assisting school districts to develop curriculum scope and sequence policies.*

*The state board shall focus on the state's influence on local school board decisions regarding the provision of instructional programs which emphasize student "health and wellness" practices.*

*By January 15, 1992, the state board shall submit a report to the legislature describing the state's influence on the development of school district curriculum content and scope and sequence.*

**Sec. 70. [REPEALER.]**

*Minnesota Statutes 1990, sections 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43, subdivision 1; 123.3514, subdivisions 6 and 6b; and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts 2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.*

*Section 45 is repealed effective June 30, 1993.*

**Sec. 71. [EFFECTIVE DATE.]**

*Sections 33, 35, 42, 46, 47, 52, and 55 are effective the day following final enactment. Section 30 is effective July 1, 1992. Sections 36 and 40 are effective retroactively to July 1, 1990. Section 22 is effective January 1, 1992. Section 61 is effective for taxes deemed delinquent after December 31, 1991.*

## ARTICLE 10

### LIBRARIES

Section 1. Minnesota Statutes 1990, section 134.001, subdivision 2, is amended to read:

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134. *Except as provided in section 3, it does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.*

Sec. 2. Minnesota Statutes 1990, section 134.001, subdivision 3, is amended to read:

Subd. 3. "Public library services" means services provided by or on behalf of a public library ~~and~~. *Except as provided in section 3, it does not include services for elementary schools, secondary schools or post-secondary educational institutions.*

Sec. 3. [134.195] [LIBRARY OPERATED BY CITY AND SCHOOL DISTRICT.]

*Subdivision 1. [ESTABLISHMENT.] A school district and a city that has established a public library under sections 134.07 and 134.08, by ordinance or resolution, may jointly finance and operate a library for use by school students and the public. If the city is already taxed for public library service by a county and is served by a regional public library system, approval of the board of county commissioners and the regional public library system board is required. Library service established under this section may be discontinued by action of the city council or the school board upon one year's notice to the other party.*

Subd. 2. [APPOINTMENT OF JOINT LIBRARY BOARD.] *The ordinance or resolution shall establish a library board of five, seven, or nine members and shall state the number of members to be appointed by the mayor, with the approval of the city council, and the number of members*

*to be appointed by the school board. Board members shall be residents of the city or the school district. Not more than one city council member or one school board member shall at any time be a member of the library board.*

*Subd. 3. [BOARD TERMS OF OFFICE.] The terms of office for board members shall be established according to section 134.09, subdivision 2.*

*Subd. 4. [REMOVAL OF BOARD MEMBERS.] The mayor, with the approval of the council, or the school board may remove for misconduct or neglect any member it has appointed to the library board.*

*Subd. 5. [ABOLISHMENT OF BOARD.] Upon recommendation of a majority of the library board established under subdivision 2, the city council and the school board may abolish the library board provided that the city council and the school district shall immediately establish, by ordinance or resolution, a successor library board of five, seven, or nine members. The appointment of successor board members shall be as provided in subdivision 2 and the terms shall be as provided in subdivision 3.*

*Subd. 6. [BOARD VACANCIES AND COMPENSATION.] The library board president shall report a vacancy on the board to the appointing authority who shall fill the vacancy by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.*

*Subd. 7. [POWERS AND DUTIES OF BOARD.] Except as provided in subdivision 9, the library board has the powers and duties set forth in section 134.11, subdivision 2.*

*Subd. 8. [FUNDING.] The ordinance or resolution establishing the library shall provide for joint financing of the library by the school district and the city. The city shall provide at least the minimum dollar amount established in section 134.34, subdivision 1. Neither the city nor the school district shall reduce the financial support provided for operation of library or media services below the level of support provided in the preceding year.*

*Subd. 9. [CONTRACTS.] The library board may contract with the school board or the city in which the library is situated to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.*

*Subd. 10. [CRITERIA.] If public library services are located in an elementary or secondary school building and available for simultaneous use by students and residents of the area, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and the library shall be available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.*

Sec. 4. Minnesota Statutes 1990, section 134.35, is amended to read:

134.35 [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS;

## DISTRIBUTION FORMULA.]

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

Subd. 2. *Sixty Fifty-seven and one-half* percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves.

Subd. 3. *Fifteen Twelve and one-half* percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves.

Subd. 4. *Seven and one-half Five* percent of the available grant funds shall be paid to each system as a base grant for basic system services.

Subd. 5. *Seventeen and one-half Twenty-five* percent of the available grant funds shall be distributed to regional public library systems ~~which contain counties whose based upon the adjusted net tax capacity per capita were below the state average adjusted net tax capacity per capita for each member county or participating portion of a county as calculated~~ for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows:

(a) ~~subtract the adjusted net tax capacity per capita for each eligible county or participating portion of a county from the statewide average adjusted net tax capacity per capita;~~

(b) ~~multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;~~

(c) ~~for each regional public library system; determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;~~

(d) ~~determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;~~

(e) ~~for each system; divide the result of the computation in clause (c) by the result of the computation in clause (d) to obtain the allocation factor for that system;~~

(f) ~~multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.~~

(a) *Multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082.*

(b) *Add sufficient grant funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to paragraph (a) to the amount of the county or participating portion of a county with the next highest value calculated according to paragraph (a). Multiply the amount of the additional*

grant funds by the population of the county or participating portion of a county.

(c) Continue the process described in paragraph (b) by adding sufficient grant funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in paragraph (a) to raise it and the amount of counties and participating portions of counties with lower values calculated in paragraph (a) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county.

(d) If the point is reached using the process in paragraphs (b) and (c) at which the remaining grant funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received grant funds under the calculation in paragraphs (b) and (c).

Subd. 6. [POPULATION DETERMINATION.] Population shall be determined according to section 275.14.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

- \$7,563,000 . . . . . 1992
- \$7,818,000 . . . . . 1993

The 1992 appropriation includes \$917,000 for 1991 and \$6,646,000 for 1992.

The 1993 appropriation includes \$1,172,000 for 1992 and \$6,646,000 for 1993.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

- \$341,000 . . . . . 1992
- \$356,000 . . . . . 1993

The 1992 appropriation includes \$38,000 for 1991 and \$303,000 for 1992.

The 1993 appropriation includes \$53,000 for 1992 and \$303,000 for 1993.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 11  
STATE EDUCATION AGENCIES

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. ~~All~~ Tuition received by the state board shall be deposited in the state treasury *as provided in paragraph (f)*.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of ~~clauses paragraphs~~ (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in ~~clause paragraph~~ (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in ~~clause paragraph~~ (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of ~~clauses paragraphs~~ (b) and (c), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(f) *On May 1 of each year, the state board shall determine the actual number of elementary students and the actual number of secondary students*



*enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:*

*(1) the total number of students on May 1 less 175, times the ratio of the number of elementary students to the total number of students on May 1, times the general education formula allowance; plus*

*(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.*

*(g) The sum provided in paragraph (f), clauses (1) and (2), shall be deposited in the state treasury and credited to the general operation account of the academy for the deaf and the academy for the blind. There is annually appropriated to the department of education for the Faribault academies the amounts received and credited for the academies.*

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of children under age seven with handicaps, three representatives of public or private providers of services for children under age five with handicaps, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for children with handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children under age five with handicaps. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with handicaps and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with handicaps and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services,

case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to ~~the education committees of the legislature,~~ the governor, and the commissioners of education, health, and human services.

Sec. 3. Minnesota Statutes 1990, section 121.14, is amended to read:

121.14 [RECOMMENDATIONS; BUDGET.]

The state board *and the commissioner of education* shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The state board *and the commissioner of education* shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid to ~~public schools~~.

Sec. 4. Minnesota Statutes 1990, section 121.165, is amended to read:

121.165 [REPORTS BY THE COMMISSIONER.]

Prior to January 15 of each year, the commissioner of education shall gather ~~and report to the committees on education of the senate and house of representatives~~ from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

Sec. 5. Minnesota Statutes 1990, section 121.49, subdivision 1, is amended to read:

Subdivision 1. The department of education shall itemize for each school district in the state the total amount of money and the amount of money per pupil unit which accrues to the district for each fiscal year from each type of state and federal aid, refund, payment, credit, disbursement or monetary obligation of any kind, including but not limited to each special state aid, emergency aid, payments in lieu of taxes, and pension and retirement obligations for the benefit of personnel of the district. State agencies ~~which that~~ have information necessary for the itemization required by this section shall provide the information to the department of education. ~~The completed itemizations shall be reported to the appropriate standing committees of the legislature in convenient reference form not later than December 1 following the year for which they are made.~~

Sec. 6. Minnesota Statutes 1990, section 121.609, subdivision 3, is amended to read:

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall provide for independent evaluation of the effectiveness of this section. ~~The~~

~~evaluation results shall be reported to the education committees of the legislature by January 15 of each year.~~

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the research and development sites and other districts utilizing the educational effectiveness program. The long-term evaluation instrument shall include a method for measuring student achievement.

Sec. 7. Minnesota Statutes 1990, section 121.612, subdivision 9, is amended to read:

Subd. 9. [REPORT.] The board of directors of the foundation shall submit an annual report to the ~~education committees of the legislature~~ *state board of education* on the progress of its activities. The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.

Sec. 8. Minnesota Statutes 1990, section 121.917, subdivision 3, is amended to read:

Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner ~~shall~~ *may* so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Sec. 9. Minnesota Statutes 1990, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, 124A, 124C, 125, 126, and 134 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. ~~The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.~~ If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 10. Minnesota Statutes 1990, section 124.431, subdivision 7, is amended to read:

Subd. 7. [RECOMMENDATIONS OF THE COMMISSIONER.] The commissioner shall examine and consider applications for capital loans that have been approved by the state board of education, and promptly notify any district rejected by the state board of the state board's decision.

~~The commissioner shall report each capital loan that has been approved by the state board and that has received voter approval to the education committees of the legislature by February 1 of each year. The commissioner must not report a capital loan that has not received voter approval. The commissioner shall also report on the money remaining in the capital loan account and, if necessary, request that another bond issue be authorized.~~

Sec. 11. Minnesota Statutes 1990, section 124C.03, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of the state planning agency shall evaluate the performance of the grantees and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.

Sec. 12. Minnesota Statutes 1990, section 126.665, is amended to read:  
126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

~~By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee.~~ The committee expires as provided in section 15.059, subdivision 5.

Sec. 13. Minnesota Statutes 1990, section 128A.02, subdivision 4, is amended to read:

Subd. 4. [PLAN.] (a) The state board must have a two-year plan for the academies and must update it annually.

(b) The plan must deal with:

- (1) interagency cooperation;
- (2) financial accounting;
- (3) cost efficiencies;
- (4) staff development;
- (5) program and curriculum development;
- (6) use of technical assistance from the department;
- (7) criteria for program and staff evaluation;
- (8) pupil performance evaluation;
- (9) follow-up study of graduates;
- (10) implementing this chapter;

- (11) how to communicate with pupils' districts of residence; and
  - (12) coordinating instructional and residential programs.
- (c) The plan may deal with other matters.

~~(d) The state board must submit the plan and recommendations for improvement of the academies to the education committees of the legislature by January 15 of each odd-numbered year.~~

Sec. 14. Minnesota Statutes 1990, section 128C.12, subdivision 3, is amended to read:

Subd. 3. [COPIES.] The state auditor must file copies of the *financial and compliance* audit report with the commissioner of education, ~~the chairs of the house and senate education committees~~ and the director of the legislative reference library.

Sec. 15. Minnesota Statutes 1990, section 128C.20, is amended to read:

128C.20 [COMMISSIONER TO REPORT ON REVIEW OF LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY.] *Each year* the commissioner of education ~~must report to the legislature before each regular session on the activities of the league. The report must contain at least shall obtain and review the following information about the league:~~

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. [RECOMMEND LAWS.] The commissioner ~~must~~ *may* recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 16. Minnesota Statutes 1990, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the

terms and conditions of the gift, grant, bequest, or devise and its acceptance. *The board shall adopt internal procedures to administer and monitor aids and grants.*

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a ~~pilot~~ *an interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;*

(2) *additional instruction to pupils for a thirteenth grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. Criteria for admission into the thirteenth grade shall not be subject to chapter 14;*

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

~~(3)~~ (4) summer arts institutes for pupils in grades 9 to 12;

~~(4)~~ (5) artist mentor and extension programs in regional sites; and

~~(5)~~ (6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the

center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. *If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.*

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 17. Minnesota Statutes 1990, section 129C.10, subdivision 3a, is amended to read:

Subd. 3a. [CENTER FUND APPROPRIATION.] There is established in the state treasury a center for arts education fund. All money collected by the board, *including rental income*, shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

*Income from fees for conferences, seminars, technical assistance, and producing instructionally related materials shall be deposited in the state treasury and credited to a revolving fund of the center. Money in the revolving fund for fees from conferences, seminars, technical assistance, and producing instructionally related materials is annually appropriated to the board to defray expenses of conferences, seminars, technical assistance, and producing materials.*

Sec. 18. Minnesota Statutes 1990, section 129C.10, subdivision 4a, is amended to read:

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the full-time programs for talented pupils, *rules regarding discharge from the dormitory*, and rules regarding the operation of the center, including transportation of its pupils. Rules covering admission are governed by chapter 14. Rules covering discharge from the full-time program for talented pupils must be consistent with sections 127.26 to 127.39, the pupil fair dismissal act. *Rules covering discharge from the dormitory are not governed by the pupil fair dismissal act as set forth in sections 127.26 to 127.39.* Rules regarding discharge and the operation of the center are not governed by chapter 14.

(b) Proceedings concerning the full-time program for talented pupils, including admission, discharge, a pupil's program, and a pupil's progress, are governed by the rules adopted by the board and are not contested cases

governed by chapter 14.

**Sec. 19. [129C.15] RESOURCE, MAGNET, AND OUTREACH PROGRAMS.]**

*Subdivision 1. [RESOURCE AND OUTREACH.] The center shall offer resource and outreach programs and services statewide aimed at the enhancement of arts education opportunities for pupils in elementary and secondary school. The programs and services shall include:*

*(1) developing and demonstrating exemplary curriculum, instructional practices, and assessment;*

*(2) disseminating information; and*

*(3) providing programs for pupils and teachers that develop technical and creative skills in art forms that are underrepresented and in geographic regions that are underserved.*

*Subd. 2. [MAGNET PROGRAMS.] The center shall identify at least one school district in each congressional district with interest and the potential to offer magnet arts programs using the curriculum developed by the Minnesota center for arts education.*

**Sec. 20. Minnesota Statutes 1990, section 134.31, subdivision 4, is amended to read:**

**Subd. 4.** The department shall collect statistics on the receipts, expenditures, services, and use of the regional public library systems and the public libraries of the state. It shall also collect statistics on all activities undertaken pursuant to sections 134.31 to 134.35. ~~The department shall report its findings to the legislature prior to November 15 of each even-numbered year, together with a statement of its expenditures relating to these activities and any other matters as it deems appropriate.~~

**Sec. 21. Minnesota Statutes 1990, section 134.351, subdivision 7, is amended to read:**

**Subd. 7. [REPORTS.]** Each multicounty, multitype system receiving a grant pursuant to section 134.353 or 134.354 shall provide an annual progress report to the department of education. ~~The department shall report before November 15 of each even-numbered year to the legislature on all projects funded under sections 134.353 and 134.354.~~

**Sec. 22. Minnesota Statutes 1990, section 141.25, subdivision 8, is amended to read:**

**Subd. 8. [FEES AND TERMS OF LICENSE.]** (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$510~~ \$560 as a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$380~~ \$430.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

**Sec. 23. Minnesota Statutes 1990, section 141.26, subdivision 5, is**



amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$190~~ \$210.

Sec. 24. Minnesota Statutes 1990, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), are payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the *Minnesota center for arts education*, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, Minnesota state academies for the deaf and blind, the *Minnesota center for arts education*, an educational cooperative service unit, or other educational service agency, in the second of the academic years or terms, and

(b) With respect to service performed in any capacity other than those capacities described in clause (a) of this subdivision, for an institution of higher education, or a public school or nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the *Minnesota center for arts education*, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms. If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and

(c) With respect to services described in clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or

holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 25. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.*

*The amounts that may be spent for each program are specified in the following subdivisions.*

*The approved complement is:*

	1992	1993
General Fund	258.5	258.5
Federal	135.6	135.6
Other	28.9	28.9
Total	423.0	423.0

*The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the activities that do not receive direct appropriations during the biennium. Transfers must be reported immediately to the house of representatives education finance division and the senate education funding division. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.*

*The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the house of representatives education finance division and the senate education funding division.*

*The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.*

*Subd. 2. [EDUCATIONAL SERVICES.]*

*\$7,726,000 . . . . . 1992*

*\$7,723,000 . . . . . 1993*

*\$21,000 each year is from the trunk highway fund.*

*\$100,000 each year is from the alcohol-impaired driver education account in the special revenue fund.*

*\$104,000 each year is for the academic excellence foundation.*

*Subd. 3. [EDUCATIONAL ADMINISTRATION AND FINANCE SERVICES.]*

*\$7,023,000 . . . . . 1992*

*\$7,033,000 . . . . . 1993*

*\$12,000 each year of these amounts is for the expenses of the ESV computer council.*

\$219,000 each year is for the state board of education.

The commissioner shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

Subd. 4. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$900,000 . . . . . 1992

\$900,000 . . . . . 1993

Subd. 5. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$260,000 . . . . . 1992

\$260,000 . . . . . 1993

Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1992 does not cancel but is available in 1993. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Sec. 26. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated to the department of education for the Faribault academies:

\$7,876,000 . . . . . 1992

\$7,848,000 . . . . . 1993

Any unexpended balance in the first year does not cancel and is available for the second year.

The approved complement is:

	1992	1993
General fund	185.6	185.6
Federal	8.0	8.0
Total	193.6	193.6

The state board of education may increase the complement above the approved levels if funds are available for the academies in addition to the amounts appropriated in this section.

The state board of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The state board must report material changes to the house of representatives education finance division and the senate education funding division.

Sec. 27. [MINNESOTA CENTER FOR ARTS EDUCATION.]

\$5,814,000 . . . . . 1992

\$5,807,000 . . . . . 1993

*The approved complement is:*

	1992	1993
<i>General Fund</i>	53.0	53.0
<i>Total</i>	53.0	53.0

*Any unexpended balance remaining in the first year does not cancel but is available in the second year.*

Sec. 28. [REPEALER.]

*Minnesota Statutes 1990, sections 3.865; 3.866; 120.104; 121.15, subdivision 10; 121.936, subdivision 5; 124.333; 124.48, subdivision 2; 125.231, subdivision 6; 128B.10, subdivisions 2 and 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; and 136A.044, are repealed.*

ARTICLE 12

MAXIMUM EFFORT SCHOOL LOAN BONDS

Section 1. [124.479] [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

*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 \$45,065,000, 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. 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.*

*No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, are sold and issued and the authorized project contracts have been initiated or abandoned. This provision applies only when the necessary conditions in Laws 1990, chapter 610, have been met.*

Sec. 2. [1991 MAXIMUM EFFORT LOANS.]

*The commissioner of education shall make capital loans to independent school district No. 115, Cass Lake; independent school district No. 192, Farmington; independent school district No. 682, Roseau; independent school district No. 748, Sartell; independent school district No. 345, New London-Spicer; independent school district No. 533, Dover-Eyota; independent school district No. 95, Cromwell; and independent school district No. 255, Pine Island. Capital loans to these districts are approved.*

*Districts approved by the legislature for a maximum effort loan shall have*

*their project plans and budgets reviewed by the commissioner to determine optimum cost efficiency. The commissioner may reduce the amount of the loans in accord with this review. Costs incurred by the commissioner for professional services associated with the review may be recovered from the districts.*

*Notwithstanding any law to the contrary, if the available funding is inadequate to meet the loan requests of all the approved districts, the commissioner may reduce the amount of the loan. Capital loans must be made to all approved districts.*

*Except for reductions in the loans made according to this section, the amount, terms, and forgiveness of the loans are governed by Minnesota Statutes 1990, section 124.431, as amended by 1991 H.F. No. 73.*

### Sec. 3. [BONDING AUTHORITY.]

*Notwithstanding the election requirements of Minnesota Statutes, chapter 475, or any other law to the contrary, any school district with a capital loan approved in section 2 may issue general obligation bonds without an election in an amount not to exceed the difference between the state board approved capital loan project cost and the sum of the amount of the capital loan actually granted and the voter approved local bonding authority. To pay the principal of and interest on bonds issued under this section, the school district shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to any other taxes levied under Minnesota Statutes, chapter 124, 124A, or 275, or any other law.*

### Sec. 4. [APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.]

*\$3,795,000 is appropriated from the general fund to the department of education for fiscal year 1993 for the maximum effort school loan fund. This appropriation is added to the appropriation in article 5 for this purpose. All the conditions that apply to the maximum effort school loan fund appropriation in article 5 apply to this appropriation.*

### Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to education; providing for revenue for general education, transportation, special programs, community education, facilities, equipment, cooperation, libraries, state education agencies, Faribault academies, center for arts education, and other purposes; establishing a learning readiness program; altering the operations of regional education organizations; providing for teacher rights in certain circumstances; imposing duties on certain state agencies; requiring a report; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.17, subdivisions 7a, 11a, 12, and by adding a subdivision; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.14; 121.165; 121.49, subdivision 1; 121.608; 121.609, subdivisions 1, 2, and 3; 121.612, subdivision 9; 121.88, subdivision 10; 121.882, by adding a subdivision; 121.904, subdivisions 4a and 4e;

121.912, by adding a subdivision; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, by adding a subdivision; 122.41; 122.531, by adding a subdivision; 122.535, subdivision 6; 122.541, subdivision 7; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivision 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 4, 8, and by adding subdivisions; 123.40, by adding a subdivision; 123.58, by adding subdivisions; 123.706, subdivision 6; 123.707, subdivisions 1 and 2; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.223, subdivision 1; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.276, subdivision 4; 124.32, subdivisions 1b and 10; 124.431, subdivision 7, and by adding a subdivision; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, 4, and by adding a subdivision; 124.646, subdivision 1, and by adding a subdivision; 124.6472, subdivision 1; 124.83, subdivisions 3 and 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, and 9; 124A.23, subdivision 1; 124A.24; 124A.26, subdivision 1; 124B.03, subdivision 2; 124C.03, subdivision 16; 125.09, subdivision 4; 126.113, subdivisions 1 and 2; 126.22, subdivisions 2, 3, 4, and 8; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivisions 1 and 2; 126.70, subdivisions 1 and 2a; 128A.02, subdivision 4; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, and 4a; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 268.08, subdivision 6; 272.02, subdivision 8; 273.1398, subdivision 6; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 364.09; and 631.40; Laws 1989, chapter 329, articles 6, section 53, as amended, and 9, section 35; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 124C; 125; 126; 127; 128B; 129C; 134; 136D; and 181A; repealing Minnesota Statutes, sections 3.865; 3.866; 120.104; 121.11; 121.15, subdivision 10; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.91, subdivision 7; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.701; 123.702; 123.704; 123.706, subdivision 3a; 123.707, subdivision 3; 123.73; 124.17, subdivision 1b; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.331; 124.332; 124.333; 124.48, subdivision 2; 124.493, subdivision 2; 124.575, subdivision 3a; 124A.02, subdivision 19; 124A.04, subdivision 1; 124C.02; 124C.41, subdivision 7; 125.231; 128B.01; 128B.03, subdivisions 3 and

8; 128B.07; 128B.10, subdivisions 2 and 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivisions 2 and 3; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, 8d, and 8e."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1184: A bill for an act relating to the environment; conforming permit fee requirements to the federal Clean Air Act; appropriating money; 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, line 4, after "*costs*" insert "*, including attorney general costs,*"

Page 2, line 8, after "*chapter*" insert "*and the rules adopted under this chapter*" and before the period, insert "*and noise*"

Page 2, line 10, after "*enforcing*" insert "*statutes, rules, and*"

Page 2, line 11, delete everything after "*permit*"

Page 2, line 12, delete everything before the semicolon and delete "*and*" and insert a comma and after "*ambient*" insert "*, and deposition*"

Page 2, line 13, delete "*or*" and insert "*; responding to federal*"

Page 2, line 14, delete the second "*and*"

Page 2, line 15, before the period, insert "*; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3*"

Page 2, line 33, delete "*As necessary*"

Page 3, line 4, delete from the colon through page 3, line 5, to "*(1)*"

Page 3, line 6, after "*of*" insert ":

*(1)*"

Page 3, line 12, delete everything before the period

Page 3, delete lines 17 to 21 and insert:

"Sec. 2. [EMERGENCY RULES.]

*The agency shall adopt the fee rules for paragraphs (b) to (d) by September 1, 1991.*

Sec. 3. [REPORT.]

*The pollution control agency shall report to the legislature by December 30, 1992, on the following:*

*(1) the basis on which air emission fees are assessed for each pollutant;*

(2) the basis on which air emission fees are distributed among various emission sources;

(3) how the scope and costs of Minnesota air emission fees and air quality programs compare to neighboring states; and

(4) the allocation of air emission fees among various programs within the air quality division.”

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “requiring a report;”

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

Mr. Merriam from the Committee on Finance, to which was re-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; designating red fox as an unprotected wild animal; increasing certain license fees; 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; appropriating money; amending Minnesota Statutes 1990, sections 84.0855; 84.82, subdivisions 2 and 3; 84.944, subdivision 2; 84.96, subdivision 5; 85.055, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, and 7; 97A.015, subdivisions 45 and 53; 97A.075, subdivision 2; 97A.325, subdivision 2; 97A.431, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivisions 6, 7, and 9; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.631; 97B.655, subdivision 1; 97B.721; and 97B.801; repealing Minnesota Statutes 1990, section 97B.301, subdivision 5.

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

Page 2, line 13, delete “*commissioner*” and insert “*deputy registrar*”

Page 4, after line 13, insert:

“Sec. 6. Minnesota Statutes 1990, section 85.053, subdivision 5, is amended to read:

Subd. 5. [DAILY VEHICLE PERMIT FOR GROUPS.] ~~The commissioner may authorize~~ *shall prescribe* a special daily vehicle state park ~~permits permit~~ for groups ~~by rule~~ for use of state parks, state recreation areas, or state waysides for up to one day under conditions prescribed by the commissioner.”

Page 4, line 23, strike “as prescribed by the commissioner” and insert “\$2”

Page 5, line 4, delete “\$12” and insert “\$18”

Page 6, line 11, strike “to 6”



Page 6, line 12, before "for" insert "2, 3, and 5"

Page 8, line 3, delete "\$20" and insert "\$16"

Page 13, delete sections 34 and 35

Page 14, line 9, delete "16, 34, and 35" and insert "and 17"

Page 14, line 11, delete "17, 19, 33, and 37" and insert "18, 20, 34, and 36" and after the period, insert "*Sections 6 and 7 are effective October 1, 1991, for the 1992 park season.*"

Page 14, line 12, delete "7 to 13" and insert "8 to 14" and delete "20" and insert "21"

Page 14, line 13, delete "22 and 24" and insert "23 and 25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "authorizing"

Page 1, delete lines 6 to 8

Page 1, line 9, delete everything before "changing"

Page 1, line 19, after the second semicolon, insert "85.053, subdivision 5;"

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

## **SECOND READING OF SENATE BILLS**

S.F. Nos. 1184 and 1333 were read the second time.

## **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Marty moved that S.F. No. 296, No. 12 on General Orders, be stricken and re-referred to the Committee on Health and Human Services. The motion prevailed.

## **MEMBERS EXCUSED**

Mr. Johnson, D.J. was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Riveness was excused from the Session of today from 12:00 noon to 12:30 p.m. Mr. Novak was excused from the Session of today from 12:00 noon to 1:15 p.m.

## **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, April 26, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTIETH DAY

St. Paul, Minnesota, Friday, April 26, 1991

The Senate met at 12:00 noon 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, Rev. William Douglas Allen.

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	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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 24, 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
734		34	4:07 p.m. April 23	April 24
34		35	4:02 p.m. April 23	April 24
254		36	4:05 p.m. April 23	April 24
391		37	4:10 p.m. April 23	April 24
713		38	9:55 a.m. April 24	April 24

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 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.

Senate File No. 539 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 25, 1991

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 539 and that the bill be placed on its repassage as amended.

Mr. Neuville moved that the Senate do not concur in the amendments by the House to S.F. No. 539, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Neuville.

The roll was called, and there were yeas 22 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnston	McGowan	Renneke
Benson, J.E.	Frederickson, D.R.	Knaak	Mehrkens	Storm
Berg	Gustafson	Laidig	Neuville	
Bernhagen	Halberg	Larson	Olson	
Davis	Johnson, D.E.	Lessard	Pariseau	

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Metzen	Ranum
Beckman	Dicklich	Johnson, J.B.	Moe, R. D.	Reichgott
Berglin	Finn	Kroening	Mondale	Sams
Bertram	Flynn	Langseth	Morse	Samuelson
Chmielewski	Frank	Luther	Novak	Spear
Cohen	Frederickson, D.J.	Marty	Pogemiller	Traub
Dahl	Hottinger	Merriam	Price	Vickerman

The motion did not prevail.

The question recurred on the motion of Mr. Spear. The motion prevailed.

S.F. No. 539 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 36 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Kroening	Novak	Spear
Berglin	Finn	Luther	Pogemiller	Traub
Bertram	Flynn	Marty	Price	Vickerman
Chmielewski	Frank	Merriam	Ranum	Waldorf
Cohen	Frederickson, D.J.	Metzen	Reichgott	
Dahl	Hottinger	Moe, R. D.	Sams	
Davis	Johnson, D.J.	Mondale	Samuelson	
DeCramer	Johnson, J.B.	Morse	Solon	

Those who voted in the negative were:

Belanger	Day	Johnston	Lessard	Pariseau
Benson, D.D.	Frederickson, D.R.	Knaak	McGowan	Renneke
Benson, J.E.	Gustafson	Laidig	Mehrkens	Storm
Berg	Halberg	Langseth	Neuville	
Bernhagen	Johnson, D.E.	Larson	Olson	

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. 425, 980 and 1201.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 25, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 425: 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 Rules and Administration for comparison with S.F. No. 490.

H.F. No. 980: 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 Governmental Operations.

H.F. No. 1201: 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 Rules and Administration for comparison with S.F. No. 1190, 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

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.

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. 1118: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, 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 80C.14, subdivision 5, is amended to read:

Subd. 5. [WITHHOLDING CONSENT TO TRANSFER.] It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor. *Unreasonable withholding of consent within the meaning of this subdivision includes, but is not limited to, the franchisor directly or indirectly requiring a franchisee as part of the assignment, transfer, or sale of the franchise to guarantee or remain contingently liable to the franchisor for the franchise fee, royalty fee, advertising fee, or other financial obligation, other than a lease or sublease, of the successor franchisee for a period of more than two years, provided that the successor franchisee has not defaulted on any obligations under the franchise agreement. If a default occurs, the period shall be extended to run for two years from the date the default is cured.*

Sec. 2. Minnesota Statutes 1990, section 80C.17, subdivision 1, is amended to read:

Subdivision 1. A person who violates any provision of ~~sections 80C.01 to 80C.13 and 80C.16 to 80C.22~~ *this chapter* or any rule or order thereunder shall be liable to the franchisee or subfranchisor who may sue for damages caused thereby, for rescission, or other relief as the court may deem appropriate.

Sec. 3. Minnesota Statutes 1990, section 80C.17, subdivision 5, is amended to read:

Subd. 5. No action may be commenced pursuant to this section more than three years after the franchisee pays the first franchise fee cause of action accrues.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

*Sections 1 to 3 are effective the day following final enactment. Section 1 applies to franchise agreements entered into or renewed on or after that date. Sections 2 and 3 apply to causes of action which arise on or after that date.*"

Delete the title and insert:

"A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, sections 80C.14, subdivision 5; and 80C.17, subdivisions 1 and 5."

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

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

S.F. No. 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. Report adopted.

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

S.F. No. 119: A bill for an act relating to 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 do pass. Report adopted.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-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 be amended as follows:

Page 5, line 17, delete "*Section 1 is effective July 1, 1989.*" and delete "2" and insert "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

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.

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

Page 1, lines 17 to 21, reinstate the stricken language and delete the new language

Page 2, line 12, after the first comma, insert "chapter 162,"

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. 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.

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

Page 1, line 11, delete "*or dogs*"

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. 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 1031.

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

Mr. Solon from the Committee on Commerce, to which was re-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 1, delete lines 21 to 25

Page 2, delete line 1

Page 2, line 2, delete "(c)" and insert "(b)"

Page 2, line 5, delete "that" and insert "whose coverage or dependent coverage"

Page 2, line 13, delete "120" and insert "90"

Page 2, line 21, after the period, insert "Reinstatement is effective upon the payment of any required premiums."

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

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 do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [72A.285] [CLAIM FOR INSURANCE BENEFITS; RELEASE OF SUMMARY INFORMATION.]

*Notwithstanding section 145.64, when a review organization, as defined in section 145.61, has conducted a review of health services given or proposed to be given to an insured or claimant in connection with or in anticipation of a claim for insurance benefits, a complete summary of the review findings must be furnished by the insurer to the provider who requested the review or to the insured or claimant, upon that person's request.*

*The summary must list the qualifications of the reviewer, including any license, certification, or specialty designation. The summary must also describe the relationship between the insured's or claimant's diagnosis and the review criteria used as a basis for the claim decision, including the specific rationale for the reviewer's decision.*

*Nothing in this section requires the disclosure of the identity of the person conducting the review."*



Delete the title and insert:

"A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A."

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. 375 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.
375			379		

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. 422 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.
422			334		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 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 report from the Committee on Education, shown in the Journal for April 23, 1991, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 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 report from the Committee on Health and Human Services, shown in the Journal for April 24, 1991, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-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; 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.

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 Joint Rule 2.03, together with the committee report thereon,

S.F. No. 3: 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; appropriating money; 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.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Rural Development, shown in the Journal for April 25, 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 Taxes and Tax Laws”. 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. 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.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for April 25, 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 Taxes and Tax Laws”. Amendments adopted. Report adopted.

## **SECOND READING OF SENATE BILLS**

S.F. Nos. 1530, 1289, 1118, 431, 119, 860, 255, 440 and 1323 were read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. Nos. 743, 1001, 744, 205, 578, 375 and 422 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Samuelson introduced—

Senate Resolution No. 63: A Senate resolution congratulating Harry W. Nysather on his retirement after 27 years of service as president of Brainerd Technical College.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that S.F. No. 609, No. 31 on General Orders, be stricken and re-referred to the Committee on Health and Human Services. The motion prevailed.

Mr. Novak moved that H.F. No. 744, on General Orders, be stricken referred to the Committee on Finance. The motion prevailed.

## CONSENT CALENDAR

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.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davis	Finn	Flynn	Frank	Merriam
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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. 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. 793, 885, 707, 785, 859, 1074 and H.F. Nos. 274, 877, 1105, 983, 179, which the committee recommends to pass.

H.F. No. 244, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Amend H.F. No. 244, as amended pursuant to Rule 49, adopted by the Senate April 23, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 354.)

Page 5, delete lines 27 and 28

Renumber the clauses in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 739, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Amend H.F. No. 739, as amended pursuant to Rule 49, adopted by the Senate April 23, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 482.)

Page 9, line 18, delete "or"

Page 9, line 22, before the period, insert " ; or

*(h) an acquisition subsequent to January 1, 1991, pursuant to an offer to purchase for cash all shares of the voting stock of the issuing public corporation:*

*(i) which has been approved by a majority vote of the members of a committee comprised of the disinterested members of the board of the issuing public corporation formed pursuant to section 302A.673, subdivision 1, paragraph (d); and*

*(ii) pursuant to which the acquiring person will become the owner of over 50 percent of the voting stock of the issuing public corporation outstanding at the time of the transaction"*

Page 14, after line 20, insert:

"Sec. 17. [EFFECTIVE DATE.]

*Section 9, paragraph (h), is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "exempting certain transactions from the control share acquisition statute;"

The motion prevailed. So the amendment was adopted.

S.F. No. 804, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 1, line 27, after "pay" insert "or whether the medical services were necessary"

Page 2, line 1, after "services" insert "or whether the services are necessary"

The motion prevailed. So the amendment to the amendment was adopted.

H.F. No. 832, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Pages 1 to 4, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 3. [OBLIGATION TO REPURCHASE.] If a dealership agreement is terminated, canceled, or discontinued, the equipment manufacturer shall*

pay to the dealer, or credit to the dealer's account if the dealer has an outstanding amount owed to the manufacturer, an amount equal to 100 percent of the net cost of all unused heavy and utility equipment in new condition that has been purchased by the dealer from the manufacturer within the 24 months immediately preceding notification by either party of intent to terminate, cancel, or discontinue the agreement. This amount must include transportation charges that have been paid by the dealer, or invoiced to the dealer's account by the manufacturer. The dealer may elect to keep the merchandise instead of receiving payment, if the contract gives the dealer this right.

Sec. 2. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 4. [REPAIR PARTS.] (a) The manufacturer shall pay the dealer, or credit to the dealer's account if the dealer has an outstanding amount owed to the manufacturer, the following:*

*(1) 85 percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs in use by the manufacturer on the date of the termination, cancellation, or discontinuance of the agreement;*

*(2) as to any parts not listed in current price lists or catalogs, 100 percent of the invoiced price of the repair part for which the dealer has an invoice if the parts had previously been purchased by the dealer from the manufacturer and are held by the dealer on the date of the termination, cancellation, or discontinuance of the agreement or received by the dealer from the manufacturer after that date; and*

*(3) 50 percent of the most recently published price of all other parts if the price list or catalog is not more than ten years old as of the date of the termination, cancellation, or discontinuance of the agreement.*

*(b) The manufacturer shall pay the dealer, or credit to the dealer's account, if the dealer has an outstanding amount owed to the manufacturer, an amount equal to five percent of the prices required to be paid or credited by this subdivision for all parts returned for the handling, packing, and loading of the parts back to the manufacturer unless the manufacturer elects to perform inventorying, packing, and loading of the parts itself. Upon the payment or allowance of credit to the dealer's account of the sum required by this subdivision, the title to and right to possess the heavy and utility equipment passes to the manufacturer. However, this section does not affect any security interest that the manufacturer may have in the inventory of the dealer.*

Sec. 3. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 5. [PAYMENT; INTEREST.] Payment required to be made under this section must be made not later than 90 days from the date the heavy and utility equipment is returned by the dealer, and if not by then paid, the amount payable by the manufacturer bears interest at the rate of 1-1/2 percent per month from the date the agreement was terminated, canceled, or discontinued until the date payment is received by the dealer.*

Sec. 4. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 6. [NOTICE OF INTENT TO RETURN.] In lieu of returning the*

*heavy and utility equipment to the manufacturer, the dealer may advise the manufacturer that the dealer has heavy and utility equipment that the dealer intends to return. The notice of the dealer's intention to return must be in writing, sworn to before a notary public as to the accuracy of the listing of heavy and utility equipment and that all of the items are in usable condition. The notice must include the name and business address of the person or business who has possession and custody of them and where they may be inspected. The list may be verified by the manufacturer. The notice must also state the name and business address of the person or business who has the authority to serve as the escrow agent of the dealer, to accept payment or a credit to the dealer's account on behalf of the dealer, and to release the heavy and utility equipment to the manufacturer. The notice constitutes the appointment of the escrow agent to act on the dealer's behalf.*

Sec. 5. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 7. [MANUFACTURER INSPECTION.] (a) The manufacturer has 30 days from the date of the mailing of the notice under subdivision 6, which must be by certified mail, in which to inspect the heavy and utility equipment and verify the accuracy of the dealer's list.*

*(b) The manufacturer shall, within ten days after inspection:*

*(1) pay the escrow agent;*

*(2) give evidence that a credit to the account of the dealer has been made if the dealer has an outstanding amount due the manufacturer; or*

*(3) send to the escrow agent a "dummy credit list" and shipping labels for the return of the heavy and utility equipment to the manufacturer that are acceptable as returns.*

Sec. 6. Minnesota Statutes 1990, section 325E.0681, is amended by adding a subdivision to read:

*Subd. 8. [PAYMENT OR CREDIT REQUIREMENTS.] If the manufacturer sends a credit list as provided under subdivision 7 to the escrow agent, payment or a credit against the dealer's indebtedness in accordance with this subdivision for the acceptable returns must accompany the credit list. On the receipt of the payment, evidence of a credit to the account of the dealer, or the credit list with payment, the title to and the right to possess the heavy and utility equipment acceptable as returns passes to the manufacturer. The escrow agent shall ship or cause to be shipped the heavy and utility equipment acceptable as returns to the manufacturer unless the manufacturer elects to personally perform the inventorying, packing, and loading of the heavy and utility equipment. When they have been received by the manufacturer, notice of their receipt shall be sent by certified mail to the escrow agent who shall then disburse 90 percent of the payment it has received, less its actual expenses and a reasonable fee for its services, to the dealer. The escrow agent shall keep the balance of the funds in the dealer's escrow account until it is notified that an agreement has been reached as to the nonreturnables. After being notified of the agreement, the escrow agent shall disburse the remaining funds and dispose of any remaining heavy and utility equipment as provided in the agreement. If no agreement is reached in a reasonable time, the escrow agent may refer the matter to an arbitrator who has authority to resolve all unsettled issues in the dispute."*

Page 4, line 17, delete "4" and insert "9"

Page 4, line 33, delete "5" and insert "10"

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

Page 5, line 23, delete "7" and insert "12"

Page 6, line 5, delete "5" and insert "10"

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

S.F. No. 476, which the committee reports progress, subject to the following motions:

Mr. Halberg raised a point of order as to S.F. No. 476 in regard to Article IV, Section 18 of the Minnesota Constitution.

The Chair ruled that the point of order was not well taken.

Mr. Halberg appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Committee?"

The roll was called, and there were yeas 43 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, J.B.	Morse	Sams
Beckman	Finn	Langseth	Novak	Samuelson
Benson, D.D.	Flynn	Lessard	Pappas	Solon
Berglin	Frank	Luther	Piper	Spear
Bertram	Frederickson, D.J.	Marty	Pogemiller	Stumpf
Chmielewski	Frederickson, D.R.	Merriam	Price	Traub
Cohen	Gustafson	Metzen	Ranum	Vickerman
Davis	Hottinger	Moe, R.D.	Reichgott	
DeCramer	Johnson, D.J.	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Day	Kelly	Larson	Renneke
Benson, J.E.	Halberg	Knaak	McGowan	Storm
Berg	Johnson, D.E.	Kroening	Olson	
Bernhagen	Johnston	Laidig	Pariseau	

The decision of the Chair was sustained.

Mr. Benson, D.D. moved to amend S.F. No. 476 as follows:

Page 10, after line 36, insert:

"Section 1. Minnesota Statutes 1990, section 270.06, is amended to read:  
270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce



the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure

just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials,

or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

~~(19) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;~~

~~(20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and~~

~~(21) (20) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law."~~

Page 11, after line 22, insert:

"Sec. 4. Minnesota Statutes 1990, section 297.04, subdivision 9, is amended to read:

Subd. 9. [REVOCAION.] The commissioner may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 297.01 to 297.13, or any other act applicable to the sale of cigarettes, or any rule promulgated by the commissioner, and may also revoke any such license or licenses of any distributor or subjobber for the violation of sections 297.31 to 297.39, or any other act applicable to the sale of tobacco products, or any rule promulgated by the commissioner in furtherance of sections 297.31 to 297.39. ~~The commissioner may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 325D.31 to 325D.42.~~

No license shall be revoked, canceled, or suspended except after notice and a hearing by the commissioner as provided in section 297.09.

Sec. 5. Minnesota Statutes 1990, section 297.06, subdivision 3, is amended to read:

Subd. 3. [RETAILER AND SUBJOBBER TO PRESERVE PURCHASE INVOICES.] Every retailer and subjobber shall procure itemized invoices of all cigarettes purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase.

At any time during normal business hours, the commissioner or the commissioner's agents may enter any place of business of a retailer or subjobber and inspect the premises, the records required to be kept for this subdivision, and the packages of cigarettes, tobacco products, and vending devices contained on the premises to determine whether all provisions of this chapter ~~and sections 325D.30 to 325D.40~~ are being fully complied with."

Page 13, after line 32, insert:

"Sec. 9. [REPEALER.]

*Minnesota Statutes 1990, sections 325D.30 to 325D.42, are repealed."*

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 476.

The roll was called, and there were yeas 16 and nays 49, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Luther	Piper	Spear
Benson, D.D.	Johnson, D.J.	Merriam	Pogemiller	Storm
Bernhagen	Knaak	Moe, R.D.	Reichgott	Stumpf
Dicklich				

Those who voted in the negative were:

Adkins	Day	Johnson, J.B.	Mehrkens	Ranum
Beckman	DeCramer	Johnston	Metzen	Renneke
Benson, J.E.	Finn	Kelly	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bertram	Frederickson, D.R.	Langseth	Novak	Solon
Chmielewski	Gustafson	Larson	Olson	Traub
Cohen	Halberg	Lessard	Pappas	Vickerman
Dahl	Hottinger	Marty	Pariseau	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

The motion did not prevail. S.F. No. 476 was then progressed.

H.F. No. 1017 which the committee recommends to pass, subject to the following motion:

Mr. Bertram moved that the amendment made to H.F. No. 1017 by the Committee on Rules and Administration in the report adopted April 22, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 687, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend S.F. No. 687 as follows:

Page 1, line 10, before "Recycled" insert "(a) Except as provided in paragraph (b),"

Page 1, after line 17, insert:

*"(b) Recycled CFCs that are used to replace or supplement CFCs in mobile air conditioning equipment must comply with the J1991 Standard of Purity for Use in Mobile Air Conditioning Systems of the Society of Automotive Engineers.*

*Subd. 3. [WARRANTIES NOT AFFECTED.] Use of recycled CFCs that meet the standards in this section does not affect a manufacturer's warranty of a product's condition or fitness for use, including any terms or conditions precedent to the enforcement of obligations under the warranty.*

**Sec. 2. [REFRIGERATION EQUIPMENT AND SYSTEMS; TRAINING AND LICENSING RECOMMENDATIONS.]**

*The pollution control agency shall by January 1, 1992, make recommendations to the legislature on methods for the use, recapture, and recycling of CFCs and appropriate training and licensing provisions for persons engaged in the installation or repair of refrigeration equipment and systems that use CFC refrigerants. The agency shall consult with contractors and*

*representatives of these installations and repair workers before making these recommendations."*

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 238, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Amend H.F. No. 238, the unofficial engrossment, as follows:

Page 2, after line 1, insert:

"Sec. 2. [325E982] [CONSUMER IDENTIFICATION INFORMATION.]

*Subdivision 1. [PROHIBITED USE.] A person may not write down or request to be written down the address or telephone number of a credit cardholder on a credit card transaction form as a condition of accepting a credit card as payment for consumer credit, goods, or services.*

*Subd. 2. [EXCEPTION.] A person may record the address or telephone number of a credit cardholder if the information is necessary for the shipping, delivery, or installation of consumer goods, or special orders of consumer goods or services."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "prohibiting certain uses of consumer identification information;"

The motion prevailed. So the amendment was adopted.

S.F. No. 971, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Amend S.F. No. 971 as follows:

Page 2, line 33, before "*Sections*" insert "*(a) Except as provided in paragraph (b),*"

Page 2, line 35, delete "*(a)*" and insert "*(1)*" and delete "*(b)*" and insert "*(2)*"

Page 3, after line 12, insert:

*"(b) Sections 1 to 4 are effective the day after final enactment and the commissioner of agriculture is not required to publish notice in the State Register if restrictions on the general use of biosynthetic bovine somatotropin are effective in the state of Wisconsin on that date."*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Mondale	Reichgott
Beckman	Finn	Larson	Morse	Sams
Berglin	Flynn	Luther	Pappas	Spear
Bertram	Frederickson, D.J.	Marty	Piper	Stumpf
Chmielewski	Hottinger	Merriam	Pogemiller	Vickerman
Cohen	Johnson, D.J.	Metzen	Price	Waldorf
Davis	Johnson, J.B.	Moe, R.D.	Ranum	

Those who voted in the negative were:

Belanger	Day	Johnston	Neuville	Storm
Benson, D.D.	Frederickson, D.R.	Knaak	Olson	
Benson, J.E.	Gustafson	Laidig	Pariseau	
Berg	Halberg	Lessard	Renneke	
Bernhagen	Johnson, D.E.	Mehrkens	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend S.F. No. 971 as follows:

Pages 2 and 3, delete section 5 and insert:

“Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective 30 days after the commissioner of agriculture publishes notice in the State Register that the states of Minnesota, California, Iowa, New York, Pennsylvania, and Wisconsin have adopted provisions that restrict general use of biosynthetic bovine somatotropin (BST). So that no Minnesota dairy farmers are put out of business by unfair competition from other dairy states, sections 1 to 4 remain in effect only so long as restrictions are effective in the states of California, Iowa, New York, Pennsylvania, and Wisconsin. On the date that restrictions on the general use of biosynthetic bovine somatotropin are no longer in effect in the states of California, Iowa, New York, Pennsylvania, and Wisconsin, sections 1 to 4 have no effect and biosynthetic bovine somatotropin may be sold for general use.”*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Johnson, D.E.	Lessard	Pariseau
Benson, D.D.	Frederickson, D.R.	Johnston	Mehrkens	Renneke
Benson, J.E.	Gustafson	Knaak	Neuville	Storm
Berg	Halberg	Laidig	Olson	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Morse	Sams
Beckman	Finn	Larson	Novak	Samuelson
Berglin	Flynn	Luther	Piper	Spear
Bertram	Frederickson, D.J.	Marty	Pogemiller	Stumpf
Chmielewski	Hottinger	Merriam	Price	Traub
Cohen	Johnson, D.J.	Metzen	Ranum	Vickerman
Davis	Johnson, J.B.	Moe, R.D.	Reichgott	
DeCramer	Kroening	Mondale	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend S.F. No. 971 as follows:

Page 1, line 11, strike “June”

Page 1, line 12, strike “12,” and delete the new language and insert “*the United States Food and Drug Administration approves biosynthetic bovine somatotropin for use in dairy cattle*”

Page 1, line 20, strike “June 12,”

Page 1, line 21, delete the new language and insert “*the United States Food and Drug Administration approves biosynthetic bovine somatotropin for use in dairy cattle*”

Page 2, line 20, strike “June 12,” and delete the new language and insert “*the United States Food and Drug Administration approves biosynthetic bovine somatotropin for use in dairy cattle*”

Page 2, line 31, delete "June 12, 1992" and insert "*the United States Food and Drug Administration approves biosynthetic bovine somatotropin for use in dairy cattle*"

Page 3, line 11, after the comma, insert "*or when the United States Food and Drug Administration approves biosynthetic bovine somatotropin for use in dairy cattle,*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Dahl	Johnson, D.E.	McGowan	Renneke
Benson, D.D.	Day	Johnston	Mehrrens	Solon
Benson, J.E.	Frederickson, D.R.	Knaak	Neuville	Storm
Berg	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Lessard	Pariseau	

Those who voted in the negative were:

Adkins	Finn	Larson	Novak	Spear
Beckman	Flynn	Luther	Pappas	Traub
Berglin	Frederickson, D.J.	Marty	Price	Vickerman
Bertram	Hottinger	Merriam	Ranum	Waldorf
Cohen	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnson, J.B.	Moe, R.D.	Riveness	
DeCramer	Kroening	Mondale	Sams	
Dicklich	Langseth	Morse	Samuelson	

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.

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.

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

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.

Reports the 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.31, is amended to read:

**144A.31 [INTERAGENCY BOARD FOR QUALITY ASSURANCE LONG-TERM CARE PLANNING COMMITTEE.]**

Subdivision 1. [INTERAGENCY BOARD LONG-TERM CARE PLANNING COMMITTEE.] The commissioners of health and human services shall establish, by July 1, 1983, an interagency board committee of managerial employees of their respective departments who are knowledgeable and employed in the areas of long-term care, geriatric care, community services for the elderly, long-term care facility inspection, or quality of care assurance. The number of interagency board committee members shall not exceed ~~eight~~ *twelve*; ~~three~~ *four* members each to represent the commissioners of health and human services and one member each to represent the commissioners of state planning and, housing finance, *finance, and the chair of the Minnesota board on aging.* The board shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The commissioner of human services and the commissioner of health or their designees shall annually alternate chairing and convening the board committee. The board committee may utilize the expertise and time of other individuals employed by either each department as needed. The board committee may recommend that the commissioners contract for services as needed. The board committee shall meet as often as necessary to accomplish its duties, but at least quarterly. The board committee shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes consumers of long-term care services, advocates, trade associations, facility administrators, county agency administrators, and other interested persons.

Subd. 2. [INSPECTIONS.] No later than January 1, 1988, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in developing methods to ensure that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The board shall identify and recommend criteria and methods for identifying those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been convicted of engaging in criminal



activity. A nursing home that presents none of these concerns or any other concern or condition recommended by the board and established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

**Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.]** The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs for implementation on July 1, 1985, in order to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

*Subd. 2a. [DUTIES.] The interagency committee shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The committee shall refine state long-term goals, establish performance indicators, and develop other methods or measures to evaluate program performance, including client outcomes. The committee shall review the effectiveness of programs in meeting their objectives. The committee shall also:*

*(1) facilitate the development of regional and local bodies to plan and coordinate regional and local services;*

*(2) recommend a single regional or local point of access for persons seeking information on long-term care services;*

*(3) recommend changes in state funding and administrative policies that are necessary to maximize the use of home and community-based care and that promote the use of the least costly alternative without sacrificing quality of care; and*

*(4) develop methods of identifying and serving seniors who need minimal services to remain independent but who are likely to develop a need for more extensive services in the absence of these minimal services.*

**Subd. 2b. [GOALS OF THE COMMITTEE.]** *The long-term goals of the committee are:*

*(1) to achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;*

*(2) to develop a statewide system of information and assistance to enable easy access to long-term care services;*

*(3) to develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care; and*

*(4) to maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly served in institutional settings.*

*These goals are designed to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and*

*human resources.*

Subd. 4. [ENFORCEMENT.] The ~~board~~ *committee* shall develop and recommend for implementation effective methods of enforcing quality of care standards. The ~~board~~ *committee* 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~~ *committee* shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The ~~board~~ *committee* shall prepare a *biennial* report and the commissioners of health and human services shall deliver this report to the legislature ~~no later than January 15, 1984, on the board's proposals and progress on implementation of the methods beginning January 31, 1993, listing progress, achievements, and current goals and objectives as required under subdivision 2.~~ The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. ~~The board shall prepare an annual report and the commissioners shall deliver this report annually to the legislature, beginning in January 1985, on the implementation of the provisions of this section.~~

Subd. 6. [DATA.] The interagency ~~board~~ *may committee* shall have access to data from the commissioners of health, human services, ~~and public safety housing finance, and state planning~~ for carrying out its duties under this section. The commissioner of health and the commissioner of human services may each have access to data on persons, including data on vendors of services, from the other to carry out the purposes of this section. If the interagency ~~board~~ *committee*, the commissioner of health, or the commissioner of human services receives data on persons, including data on vendors of services, that is collected, maintained, used or disseminated in an investigation, authorized by statute and relating to enforcement of rules or law, the ~~board~~ *committee* or the commissioner shall not disclose that information except:

- (a) pursuant to section 13.05;
- (b) pursuant to statute or valid court order; or
- (c) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

Data described in this subdivision is classified as public data upon its submission to an administrative law judge or court in an administrative or judicial proceeding.

*Subd. 7. [LONG-TERM CARE RESEARCH AND DATABASE.] The interagency long-term care planning committee shall collect and analyze state and national long-term care data and research, including relevant health data and information and research relating to long-term care and social needs, service utilization, costs, and client outcomes. The committee shall make recommendations to state agencies and other public and private agencies for methods of improving coordination of existing data, develop data needed for long-term care research, and promote new research activities. Research and data activities must be designed to:*

*(1) improve the validity and reliability of existing data and research information;*

*(2) identify sources of funding and potential uses of funding sources;*

*(3) evaluate the effectiveness and client outcomes of existing programs; and*

*(4) identify and plan for future changes in the number, level, and type of services needed by seniors.*

Sec. 2. Minnesota Statutes 1990, section 144A.46, subdivision 4, is amended to read:

*Subd. 4. [RELATION TO OTHER REGULATORY PROGRAMS.] In the exercise of the authority granted under sections 144A.43 to 144A.49, the commissioner shall not duplicate or replace standards and requirements imposed under another state regulatory program. The commissioner shall not impose additional training or education requirements upon members of a licensed or registered occupation or profession, except as necessary to address or prevent problems that are unique to the delivery of services in the home or to enforce and protect the rights of consumers listed in section 144A.44. ~~For home care providers certified under the Medicare program, the state standards must not be inconsistent with the Medicare standards for Medicare services.~~ The commissioner of health shall not require a home care provider certified under the Medicare program to comply with a rule adopted under section 144A.45 if the home care provider is required to comply with any equivalent federal law or regulation relating to the same subject matter. The commissioner of health shall specify in the rules those provisions that are not applicable to certified home care providers. To the extent possible, the commissioner shall coordinate the inspections required under sections 144A.45 to 144A.48 with the health facility licensure inspections required under sections 144.50 to 144.58 or 144A.10 when the health care facility is also licensed under the provisions of Laws 1987, chapter 378.*

Sec. 3. [256.9751] [CONGREGATE HOUSING SERVICES PROJECTS.]

*Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.*

*(a) [CONGREGATE HOUSING.] "Congregate housing" means federally or locally subsidized housing, designed for the elderly, consisting of private apartments and common areas which can be used for activities and for serving meals.*

*(b) [CONGREGATE HOUSING SERVICES PROJECTS.] "Congregate*

*housing services project' means a project in which services are or could be made available to older persons who live in subsidized housing and which helps delay or prevent nursing home placement. To be considered a congregate housing services project, a project must have: (1) an on-site coordinator, and (2) a plan for providing a minimum of one meal per day, for each elderly participant, seven days a week.*

(c) [ON-SITE COORDINATOR.] *"On-site coordinator" means a person who works on-site in a building or buildings and who serves as a contact for older persons who need services, support, and assistance in order to delay or prevent nursing home placement.*

(d) [CONGREGATE HOUSING SERVICES PROJECT PARTICIPANTS OR PROJECT PARTICIPANTS.] *"Congregate housing services project participants" or "project participants" means elderly persons 60 years old or older, who are currently residents of or who are applying for residence in housing sites, and who need support services to remain independent.*

Subd. 2. [ADVISORY COMMITTEE.] *An advisory committee shall be appointed to advise the Minnesota board on aging on the development and implementation of the congregate housing services projects. The advisory committee shall review procedures and provide advice and technical assistance to the Minnesota board on aging regarding the grant program established under this section. The advisory committee shall consist of not more than 15 people appointed by the Minnesota board on aging, and shall be comprised of representatives from public and nonprofit service and housing providers and consumers from all areas of the state. Members of the advisory committee shall not be compensated for service.*

Subd. 3. [GRANT PROGRAM.] *The Minnesota board on aging shall establish a congregate housing services grant program which will enable communities to provide on-site coordinators to serve as a contact for older persons who need services and support, and assistance to access services in order to delay or prevent nursing home placement.*

Subd. 4. [USE OF GRANT FUNDS.] *Grant funds shall be used to develop and fund on-site coordinator positions. Grant funds shall not be used to duplicate existing funds, to modify buildings, or to purchase equipment.*

Subd. 5. [GRANT ELIGIBILITY.] *A public or nonprofit agency or housing unit may apply for funds to provide a coordinator for congregate housing services to an identified population of frail elderly persons in a subsidized multi-unit apartment building or buildings in a community. The board shall give preference to applicants that meet the requirements of this section, and that have a common dining site. Local match may be required. State money received may also be used to match federal money allocated for congregate housing services. Grants shall be awarded to urban and rural sites.*

Subd. 6. [CRITERIA FOR SELECTION.] *The Minnesota board on aging shall select projects under this section according to the following criteria:*

(1) *the extent to which the proposed project assists older persons to age-in-place to prevent or delay nursing home placement;*

(2) *the extent to which the proposed project identifies the needs of project participants;*

(3) *the extent to which the proposed project identifies how the on-site coordinator will help meet the needs of project participants;*

(4) the extent to which the proposed project ensures the availability of one meal a day, seven days a week, for participants in need;

(5) the extent to which the proposed project demonstrates involvement of participants and family members in the project; and

(6) the extent to which the proposed project demonstrates involvement of housing providers and public and private service agencies, including area agencies on aging.

Subd. 7. [GRANT APPLICATIONS.] The Minnesota board on aging shall request proposals for grants and award grants using the criteria in subdivision 6. Grant applications shall include:

(1) documentation of the need for congregate services so the residents can remain independent;

(2) a description of the resources, such as social services and health services, that will be available in the community to provide the necessary support services;

(3) a description of the target population, as defined in subdivision 1, paragraph (d);

(4) a performance plan that includes written performance objectives, outcomes, timelines, and the procedure the grantee will use to document and measure success in meeting the objectives; and

(5) letters of support from appropriate public and private agencies and organizations, such as area agencies on aging and county human service departments that demonstrate an intent to work with and coordinate with the agency requesting a grant.

Subd. 8. [REPORT.] By January 1, 1993, the Minnesota board on aging shall submit a report to the legislature evaluating the programs. The report must document the project costs and outcomes that helped delay or prevent nursing home placement. The report must describe steps taken for quality assurance and must also include recommendations based on the project findings.

Sec. 4. Minnesota Statutes 1990, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE SERVICES.] (a) ~~The commissioner shall adopt permanent rules to implement, administer, and operate personal care services. The rules must incorporate the standards and requirements adopted by the commissioner of health under section 144A.45 which are applicable to the provision of personal care. Notwithstanding any contrary language in this paragraph, the commissioner of human services and the commissioner of health shall jointly promulgate rules to be applied to the licensure of personal care services provided under the medical assistance program. The rules shall consider standards for personal care services that are based on the World Institute on Disability's recommendations regarding personal care services. These rules shall at a minimum consider the standards and requirements adopted by the commissioner of health under section 144A.45, which the commissioner of human services determines are applicable to the provision of personal care services, in addition to other standards or modifications which the commissioner of human services determines are appropriate.~~

*The commissioner of human services shall establish an advisory group*

*including personal care consumers and providers to provide advice regarding which standards or modifications should be adopted. The advisory group membership must include not less than 15 members, of which at least 60 percent must be consumers of personal care services and representatives of recipients with various disabilities and diagnoses and ages. At least 51 percent of the members of the advisory group must be recipients of personal care.*

*The commissioner of human services may contract with the commissioner of health to enforce the jointly promulgated licensure rules for personal care service providers.*

*Prior to final promulgation of the joint rules the commissioner of human services shall report preliminary findings along with any comments of the advisory group and a plan for monitoring and enforcement by the department of health to the legislature by February 15, 1992.*

Limits on the extent of personal care services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

~~(b) For personal care assistants under contract with an agency under paragraph (a), the provision of training and supervision by the agency does not create an employment relationship.~~ The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county.

Sec. 5. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

*Subd. 6a. [HOME HEALTH SERVICES.] Home health services are those services specified in Minnesota Rules, part 9505.0290. Medical assistance covers home health services at a recipient's home residence. Medical assistance does not cover home health services at a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, unless the commissioner has prior authorized skilled nurse visits for less than 90 days for a resident at an intermediate care facility for persons with mental retardation, to prevent an admission to a hospital or nursing facility. Home health services must be provided by a Medicare certified home health agency. All nursing and home health aide services must be provided according to section 256B.0627.*

Sec. 6. Minnesota Statutes 1990, section 256B.0625, subdivision 7, is amended to read:

Subd. 7. [PRIVATE DUTY NURSING.] Medical assistance covers private duty nursing services in a recipient's home. Recipients who are authorized to receive private duty nursing services in their home may use approved hours outside of the home during hours when normal life activities take them outside of their home and when, without the provision of private duty nursing, their health and safety would be jeopardized. Medical assistance does not cover private duty nursing services at a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed in an in-home setting according to section 256B.0627. All private duty nursing services must be provided according to the limits established under section 256B.0627. Private duty nursing services may not be reimbursed if the nurse is the spouse of the recipient or the parent or foster care provider of a recipient who is under age 18, or the recipient's legal guardian.

Sec. 7. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients who can direct their own care, or persons who cannot direct their own care when accompanied by the responsible party, may use approved hours outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. Medical assistance does not cover personal care services at a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse of the recipient or the parent of a recipient under age 18, the responsible party, the foster care provider of a recipient who cannot direct their own care or the recipient's legal guardian. Parents of adult recipients, adult children of the recipient, or adult siblings of the recipient may be reimbursed for personal care services if they are granted a waiver under section 256B.0627.

Sec. 8. Minnesota Statutes 1990, section 256B.0627, is amended to read:

256B.0627 [COVERED SERVICE; HOME CARE SERVICES.]

Subdivision 1. [DEFINITION.] "Home care services" means a medically necessary health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan of care that is reviewed and revised as medically necessary by the physician at least once every 60 days. Home care services include personal care and nursing supervision of personal care services which is reviewed and revised as medically necessary by the physician at least once every 365 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625. "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to

9505.0475. "Care plan" means a written description of the services needed which shall include a detailed description of the covered home care services, who is providing the services, frequency of those services, and duration of those services. The care plan shall also include expected outcomes and goals including expected date of goal accomplishment.

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

- (1) nursing services under section 256B.0625, subdivision 6a;
- (2) private duty nursing services under section 256B.0625, subdivision 7;
- (3) home health aide services under section 256B.0625, subdivision 6a;
- (4) personal care services under section 256B.0625, subdivision 19a; and
- (5) nursing supervision of personal care services under section 256B.0625, subdivision 19a.

Subd. 3. ~~[PRIVATE DUTY NURSING SERVICES; WHO MAY PROVIDE.] Private duty nursing services may be provided by a registered nurse or licensed practical nurse who is not the recipient's spouse, legal guardian, or parent of a minor child.~~

Subd. 4. [PERSONAL CARE SERVICES.] (a) ~~Personal care services may be provided by a qualified individual who is not the recipient's spouse, legal guardian, or parent of a minor child.~~

(b) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;
- (3) range of motion exercises;
- (4) respiratory assistance;
- (5) transfers;
- (6) bathing, grooming, and hairwashing necessary for personal hygiene;
- (7) turning and positioning;
- (8) assistance with furnishing medication that is normally self-administered;
- (9) application and maintenance of prosthetics and orthotics;
- (10) cleaning medical equipment;
- (11) dressing or undressing;
- (12) assistance with food, nutrition, and diet activities;
- (13) accompanying a recipient to obtain medical diagnosis or treatment;
- (14) ~~services provided for the recipient's personal health and safety;~~
- (15) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules;
- (15) supervision and observation that are medically necessary because of the recipient's diagnosis or disability; and



(16) incidental household services that are an integral part of a personal care service described in clauses (1) to (15).

(e) (b) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the *care plan of care* developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or ~~family~~ *the responsible party directing the care of the recipient*;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, ~~or~~ parent of a minor child, *or foster care provider of a recipient who cannot direct their own care*;

(4) sterile procedures; ~~and~~

(5) injections of fluids into veins, muscles, or skin-;

(6) *services provided by parents of adult recipients, adult children, or adult siblings unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:*

(i) *the relative resigns from a full-time job to provide personal care for the recipient;*

(ii) *the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;*

(iii) *the relative takes a leave of absence without pay to provide personal care for the recipient;*

(iv) *the relative incurs substantial expenses by providing personal care for the recipient; or*

(v) *because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;*

(7) *homemaker services that are not an integral part of a personal care services; and*

(8) *home maintenance, or chore services.*

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to ~~paragraphs (a) to (e)~~ *this subdivision.*

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home ~~health~~ care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LEVEL 1 HOME CARE LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] ~~For all new cases after December 1987, medically necessary home care services up to \$800 may be provided in a calendar month.~~

~~If the services in the recipient's home care plan will exceed the \$800 threshold for 30 days or less, the medically necessary services may be provided. A recipient may receive the following amounts of home care services during a calendar year:~~

(1) a total of 40 home health aide visits, skilled nurse visits, health promotions, or health assessments under section 256B.0625, subdivision 6a; and

(2) a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that, if not immediately treated, could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began, but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits established under paragraph (b) may have a reasonable amount of time to arrange for waived services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be phased down to the limits established under paragraph (b) on or before April 1, 1992.

(e) (e) [LEVEL II HOME CARE ASSESSMENT AND CARE PLAN.] If the services in the recipient's home care plan exceed \$800 for more than 30 days, a public health nurse from the local preadmission screening team shall determine the recipient's maximum level of home care according to this paragraph. The home care provider shall conduct an assessment and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries.

(f) (f) [PRIOR AUTHORIZATION.] The public health nurse from the local preadmission screening team shall base the determination of the recipient's maximum level of care on the need and eligibility of the recipient for one of the following placements commissioner, or the commissioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall, within 30 days after

receiving a request for prior authorization, authorize home care services as follows:

(i) residential facility for persons with mental retardation or related conditions operated under section 256B.501;

(ii) inpatient hospital care for a ventilator dependent recipient. "Ventilator dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to or has been dependent for at least 30 consecutive days; or

(iii) all other recipients not appropriate for one of the above placements.

(2) If the recipient is eligible under clause (1)(i), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment rate for residential facilities for children or adults with mental retardation or related conditions as appropriate for the recipient's age and level of self-preservation as determined according to Minnesota Rules, parts 9553.0010 to 9553.0080.

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost effectiveness when compared with other care options.

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's case mix classification according to section 256B.0911, except that a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's case mix level;

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs;

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have complex behaviors;

(D) up to the rate, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.091 or 256B.092.

(ii) The number of direct care hours shall be determined according to annual cost reports which are submitted to the department by nursing facilities each year. The average number of direct care hours, as established by May 1, shall be incorporated into the home care limits on July 1 each year.

(iii) The case mix level shall be determined by the commissioner or the

*commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The forms shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and non-elderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.*

*(iv) A recipient shall qualify as having complex medical needs if they require:*

*(A) daily tube feedings;*

*(B) daily parenteral therapy;*

*(C) wound or decubiti care;*

*(D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;*

*(E) catheterization;*

*(F) ostomy care; or*

*(G) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.*

*(v) A recipient shall qualify as having complex behavior if they exhibit on a daily basis the following:*

*(A) self-injurious behavior;*

*(B) unusual or repetitive habits;*

*(C) withdrawal behavior;*

*(D) hurtful to others;*

*(E) socially or offensive behavior;*

*(F) destruction of property; or*

*(G) needs constant supervision one-to-one for self preservation.*

*(vi) The complex behaviors in clauses (A) to (G) have the meanings developed under section 256B.501.*

**(3) [PRIVATE DUTY NURSING SERVICES.]** *All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services when:*

*(i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or*

*(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.*

*The commissioner may authorize up to 16 hours per day of private duty*

*nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined that a health benefit plan is required to pay for medically necessary nursing services. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.*

~~(3) (4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is eligible under clause (1)(ii) ventilator dependent, the monthly medical assistance reimbursement authorization for home care services shall not exceed the monthly cost of care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.~~

~~(4) If the recipient is not eligible under either clause (1)(i) or (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment for the case mix classification most appropriate to the recipient. The case mix classification is established under section 256B.431.~~

~~(5) The determination of the recipient's maximum level of home care by the public health nurse is called a home care cost assessment. The home care cost assessment must be requested by the home care provider before the end of the first 30 days of provided service and must be conducted by the public health nurse within ten working days following request.~~

~~(6) A home care provider shall request a new home care cost assessment when the needs of the individual have changed enough to require that a revised care plan be implemented that will increase costs beyond what was approved by the previous home care cost assessment and the change is anticipated to last for more than 30 days. The home care provider must request the home care cost assessment before the end of the first 30 days of provided service. Whenever a home care cost assessment is completed, the public health nurse that completes the home care cost assessment, in consultation with the home care provider,~~

~~(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a home care cost assessment prior authorization shall remain valid. If the recipient continues to require home care services beyond the limited duration of the home care cost assessment prior authorization, the home care provider must request a reassessment through the home care cost assessment new prior authorization through the process described above. Under no circumstances shall a home care cost assessment prior authorization be valid for more than 12 months.~~

~~(7) Reimbursement for the home care cost assessment shall be made through the Medicaid administrative authority. The state shall pay the nonfederal share.~~

~~(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home~~

*care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.*

~~(d) [LEVEL III HOME CARE.] If the home care provider determines that the recipient's needs exceed the amount approved for the appropriate level of care as determined in paragraph (c), the home care provider may refer the case to the department for a level III determination. Based on the client needs, physician orders, diagnosis, condition, and plan of care, the department may give prior approval for care that exceeds level II described in paragraph (c). The amount approved shall not exceed the maximum cost for the appropriate level of care as determined in paragraph (c), clause (1), which will be the maximum ICF/MR rate for intermediate care facilities for persons with mental retardation or related conditions, or the maximum nursing home case mix payment, or the highest hospital cost for the state.~~

~~(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] The department has 30 days from receipt of the request to complete the level III determination prior authorization, during which time it may approve the higher level while reviewing the case a temporary level of home care service. Authorization under this authority for a temporary level of home care services is limited to the time specified by the commissioner.~~

~~Case reviews or approval of home care services in levels II and III may result in assignment of a case manager.~~

~~(e) (j) [PRIOR APPROVAL AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Any Home care service services provided in an adult or child foster care setting must receive prior approval authorization by the department according to the limits established in paragraph (b).~~

*The commissioner may not authorize:*

*(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;*

*(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;*

*(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;*

*(4) home care services when the number of foster care residents is greater than four; or*

*(5) home care services when combined with foster care payments, less the base rate, that exceed the total amount that medical assistance would pay for the recipient's care in a medical institution.*

Subd. 6. [RECOVERY OF EXCESSIVE PAYMENTS.] The commissioner shall seek monetary recovery from providers of payments made for services which exceed the limits established in this section.

Sec. 9. [256B.0628] [PRIOR AUTHORIZATION AND REVIEW OF HOME CARE SERVICES.]

*Subdivision 1. [STATE COORDINATION.] The commissioner shall supervise the coordination of the prior authorization and review of home care services that are reimbursed by medical assistance.*

*Subd. 2. [CONTRACTOR DUTIES.] (a) The commissioner may contract with qualified registered nurses, or qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.*

*(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. The contractor must:*

*(1) assess the recipient's individual need for services required to be cared for safely in the community;*

*(2) ensure that a care plan that meets the recipient's needs is developed by the appropriate agency or individual;*

*(3) ensure cost-effectiveness of medical assistance home care services;*

*(4) recommend to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;*

*(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and*

*(6) conduct on-site assessments when determined necessary by the commissioner.*

*(c) In addition, the contractor may be requested by the commissioner to:*

*(1) review care plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals to the commissioner or other appropriate entities based on the findings;*

*(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;*

*(3) coordinate home care services with other medical assistance services under section 256B.0625;*

*(4) assist the recipient with problems related to the provision of home care services; and*

*(5) assure the quality of home care services.*

*(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.*

Sec. 10. [256B.0911] [NURSING HOME PREADMISSION SCREENING.]

*Subdivision 1. [PURPOSE AND GOAL.] The purpose of the preadmission screening program is to prevent or delay certified nursing facility placements by assessing applicants and residents and offering cost-effective alternatives appropriate for the person's needs. Further, the goal of the program is to contain costs associated with unnecessary certified nursing facility admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the funding available.*

*Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:*

*(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;*

*(2) residents transferred from other certified nursing facilities;*

*(3) individuals whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team prior to admission and provides an update to the screening team on the 30th day after admission;*

*(4) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration;*

*(5) individuals who are screened by another state within three months before admission to a certified nursing facility; or*

*(6) individuals who are enrolled in the Ebenezer/Group Health social health maintenance organization project at the time of application to a nursing home.*

*Regardless of the exemptions in clauses (2) to (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.*

*Persons transferred from an acute care facility to a certified nursing facility may be admitted to the nursing facility before screening, if authorized by the county agency; however, the person must be screened within ten working days after the admission.*

*Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.*

*Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency and the county public health nursing service of the local board of health. Each local screening team shall be composed of a social worker and a public health nurse from their respective county agencies. Two or more counties may collaborate to establish a joint local screening team or teams.*

*(b) Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility may be screened by only one member of the screening team in consultation with the other member.*



(c) *In assessing a person's needs, each screening team shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.*

(d) *If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.*

**Subd. 4. [RESPONSIBILITIES OF THE COUNTY AGENCY AND THE SCREENING TEAM.]** (a) *The county agency shall:*

(1) *provide information and education to the general public regarding availability of the preadmission screening program;*

(2) *accept referrals from individuals, families, human service and health professionals, and hospital and nursing facility personnel;*

(3) *assess the health, psychological, and social needs of referred individuals and identify services needed to maintain these persons in the least restrictive environments;*

(4) *determine if the individual screened needs nursing facility level of care;*

(5) *assess active treatment needs in cooperation with:*

(i) *a qualified mental health professional for persons with a primary or secondary diagnosis of mental illness; and*

(ii) *a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this clause, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;*

(6) *make recommendations for individuals screened regarding cost-effective community services which are available to the individual;*

(7) *make recommendations for individuals screened regarding nursing home placement when there are no cost-effective community services available;*

(8) *develop an individual's community care plan and provide follow-up services as needed; and*

(9) *prepare and submit reports that may be required by the commissioner of human services.*

*The county agency may determine in cooperation with the local board of health that the public health nursing agency of the local board of health is the lead agency which is responsible for all of the activities above except clause (5).*

(b) *The screening team shall document that the most cost-effective alternatives available were offered to the individual or the individual's legal representative. For purposes of this section, "cost-effective alternatives" means community services and living arrangements that cost the same or*

*less than nursing facility care.*

*The screening shall be conducted within ten working days after the date of referral or, for those approved for transfer from an acute care facility to a certified nursing facility, within ten working days after admission to the nursing facility. For persons who are eligible for medical assistance or who would be eligible within 180 days of admission to a nursing facility and who are admitted to a nursing facility, the nursing facility must include the screening team or the case manager in the discharge planning process for those individuals who the team has determined have discharge potential. The screening team or the case manager must ensure a smooth transition and follow-up for the individual's return to the community.*

*Local screening teams shall cooperate with other public and private agencies in the community, in order to offer a variety of cost-effective services to the disabled and elderly. The screening team shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide services.*

*Subd. 5. [SIMPLIFICATION OF FORMS.] The commissioner shall minimize the number of forms required in the preadmission screening process and shall limit the screening document to items necessary for care plan approval, reimbursement, program planning, evaluation, and policy development.*

*Subd. 6. [REIMBURSEMENT FOR PREADMISSION SCREENING.] (a) The total screening cost for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's estimate of the total annual cost of screenings allowed in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing facility based on the number of licensed beds in the nursing facility.*

*(b) The rate allowed for a screening where two team members are present shall be the actual costs up to \$195. The rate allowed for a screening where only one team member is present shall be the actual costs up to \$117. Annually on July 1, the commissioner shall adjust the rate up to the percentage change forecast in the fourth quarter of the prior calendar year by the Home Health Agency Market Basket of Operating Costs, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc.*

*(c) The monthly cost estimate for each certified nursing facility must be submitted to the state by the county no later than February 15 of each year for inclusion in the nursing facility's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing facility as an operating cost of that nursing facility in accordance with section 256B.431, subdivision 2b, paragraph (g). The monthly cost estimates approved by the commissioner must be sent to the nursing facility by the county no later than April 15 of each year.*

*(d) If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent.*

(e) *Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.*

(f) *The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams.*

**Subd. 7. [REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.]** *Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screening team has determined does not meet the level of care criteria for nursing facility placement.*

*An individual has a choice and makes the final decision between nursing facility placement and community placement after the screening team's recommendation. However, the local county mental health authority or the local mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or does need active treatment as defined in Public Law Numbers 100-203 and 101-508.*

*Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.*

**Subd. 8. [ADVISORY COMMITTEE.]** *The commissioner shall appoint an advisory committee to advise the commissioner on the preadmission screening program, the alternative care program under section 256B.0913, and the home and community-based services waiver programs for the elderly and the disabled. The advisory committee shall review policies and procedures and provide advice and technical assistance to the commissioner regarding the effectiveness and the efficient administration of the programs. The advisory committee must consist of not more than 20 people appointed by the commissioner and must be comprised of representatives from public agencies, public and private service providers, and consumers from all areas of the state. Members of the advisory committee must not be compensated for service.*

**Sec. 11. [256B.0913] [ALTERNATIVE CARE PROGRAM.]**

**Subdivision 1. [PURPOSE AND GOALS.]** *The purpose of the alternative care program is to provide funding for or access to home and community-based services for frail elderly persons, in order to limit nursing facility placements. The program is designed to support frail elderly persons in their desire to remain in the community as independently and as long as possible and to support informal caregivers in their efforts to provide care for frail elderly people. Further, the goals of the program are:*

(1) *to contain medical assistance expenditures by providing care in the community at a cost the same or less than nursing facility costs; and*

(2) *to maintain the moratorium on new construction of nursing home beds.*

**Subd. 2. [ELIGIBILITY FOR SERVICES.]** *Alternative care services are available to all frail older Minnesotans. This includes:*

(1) *persons who are receiving medical assistance and served under the medical assistance program or the Medicaid waiver program;*

(2) *persons who would be eligible for medical assistance within 180 days*

*of admission to a nursing facility and served under subdivisions 4 to 13; and*

*(3) persons who are paying for their services out-of-pocket.*

*Subd. 3. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR MEDICAL ASSISTANCE RECIPIENTS.] Funding for services for persons who are eligible for medical assistance is available under section 256B.0627, governing home care services, or 256B.0915, governing the Medicaid waiver for home and community-based services.*

*Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:*

*(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;*

*(2) the person is age 65 or older;*

*(3) the person would be eligible for medical assistance within 180 days of admission to a nursing facility;*

*(4) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;*

*(5) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and*

*(6) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the regional average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.*

*(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.*

*(c) The regional payment for nursing facility care is the monthly average nursing facility rate for the applicable nursing home geographic group in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.*

*(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.*

*(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner.*

*(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.*

*Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:*

- (1) adult foster care;*
- (2) adult day care;*
- (3) home health aide;*
- (4) homemaker services;*
- (5) personal care;*
- (6) case management;*
- (7) respite care;*
- (8) assisted living; and*
- (9) care-related supplies and equipment.*

*(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of meals delivered to the home, transportation, skilled nursing, chore services, companion services, nutrition services, and training for direct informal caregivers. The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993, including any recommendations regarding provision of the additional services.*

*(c) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.*

*(d) These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by persons or agencies employed by or contracted with the county agency or the public health nursing agency of the local board of health.*

*(e) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.*

*(f) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.*

*(g) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner.*

*(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care grant clients who reside in the same apartment building of ten or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care grant clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the average monthly medical assistance nursing facility payment rate of*

*the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.*

*(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage, or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.*

*(j) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.*

*Subd. 6. [ALTERNATIVE CARE PROGRAM ADMINISTRATION.] The alternative care program is administered by the county agency. This agency is the lead agency responsible for the local administration of the alternative care program as described in this section. However, it may contract with the public health nursing service to be the lead agency.*

*Subd. 7. [CASE MANAGEMENT.] The lead agency shall appoint a social worker from the county agency or a registered nurse from the county public health nursing service of the local board of health to be the case manager for any person receiving services funded by the alternative care program. The case manager must ensure the health and safety of the individual client and is responsible for the cost effectiveness of the alternative care individual care plan.*

*Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] The case manager shall implement the plan of care for each 180-day eligible client and ensure that a client's service needs and eligibility are reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held*

*harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. The lead agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program. The lead agency shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private.*

*Subd. 9. [CONTRACTING PROVISIONS FOR PROVIDERS.] The lead agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care program, including a minimum of 14 days' written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection. The lead agency shall also document to the commissioner that the agency allowed potential providers an opportunity to be selected to contract with the county agency. Funds reimbursed to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.*

*The lead agency must select providers for contracts or agreements using the following criteria and other criteria established by the county:*

- (1) the need for the particular services offered by the provider;*
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;*
- (3) the geographic area to be served;*
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;*
- (5) rates for each service and unit of service exclusive of county administrative costs;*
- (6) evaluation of services previously delivered by the provider; and*
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.*

*The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.*

*Subd. 10. [ALLOCATION FORMULA.] (a) The alternative care appropriation for fiscal years 1992 and beyond shall cover only 180-day eligible clients.*

*(b) Prior to July 1 of each year, the commissioner shall allocate to county agencies the state funds available for alternative care for persons eligible under subdivision 2. The allocation for fiscal year 1992 shall be calculated using a base that is adjusted to exclude the medical assistance share of alternative care expenditures. The adjusted base is calculated by multiplying each county's allocation for fiscal year 1991 by the percentage of county alternative care expenditures for 180-day eligible clients. The percentage is determined based on expenditures for services rendered in fiscal year 1989 or calendar year 1989, whichever is greater.*

(c) *If the county expenditures for 180-day eligible clients are 95 percent or more of its adjusted base allocation, the allocation for the next fiscal year is 100 percent of the adjusted base, plus inflation to the extent that inflation is included in the state budget.*

(d) *If the county expenditures for 180-day eligible clients are less than 95 percent of its adjusted base allocation, the allocation for the next fiscal year is the adjusted base allocation less the amount of unspent funds below the 95 percent level.*

(e) *For fiscal year 1992 only, a county under paragraph (d) may receive an increased allocation if annualized service costs for the month of May 1991 for 180-day eligible clients are greater than the allocation otherwise determined. A county may apply for this increase by reporting projected expenditures for May to the commissioner by June 1, 1991. The amount of the allocation may exceed the amount calculated in paragraph (c). The projected expenditures for May must be based on actual 180-day eligible client caseload and the individual cost of clients' care plans. If a county does not report its expenditures for May, the amount in paragraph (d) shall be used.*

(f) *Calculations for paragraphs (c) and (d) are to be made as follows: for each county, the determination of expenditures shall be based on payments for services rendered from April 1 through March 31 in the base year, to the extent that claims have been submitted by June 1 of that year.*

*Subd. 11. [TARGETED FUNDING.] (a) The purpose of targeted funding is to make additional money available to counties with the greatest need. Targeted funds are not intended to be distributed equitably among all counties, but rather, allocated to those with long-term care strategies that meet state goals.*

(b) *The funds available for targeted funding shall be the total appropriation for each fiscal year minus county allocations determined under subdivision 10 as adjusted for any inflation increases provided in appropriations for the biennium.*

(c) *The commissioner shall allocate targeted funds to counties that demonstrate to the satisfaction of the commissioner that they have developed feasible plans to increase alternative care grant spending. In making targeted funding allocations, the commissioner shall use the following priorities:*

(1) *counties that received a lower allocation in fiscal year 1991 than in fiscal year 1990. Counties remain in this priority until they have been restored to their fiscal year 1990 level plus inflation;*

(2) *counties that sustain a base allocation reduction for failure to spend 95 percent of the allocation if they demonstrate that the base reduction should be restored;*

(3) *counties that propose projects to divert community residents from nursing home placement or convert nursing home residents to community living; and*

(4) *counties that can otherwise justify program growth by demonstrating the existence of waiting lists, demographically justified needs, or other unmet needs.*

(d) *Counties that would receive targeted funds according to paragraph*



(c) must demonstrate to the commissioner's satisfaction that the funds would be appropriately spent by showing how the funds would be used to further the state's alternative care goals as described in subdivision 1, and that the county has the administrative and service delivery capability to use them.

(e) If the commissioner does not approve a county's application for targeted funds, the funds shall be reallocated to the next ranking county according to paragraph (c), clause (2), that has not yet received funds. Counties that receive such reallocated funds must comply with this section.

(f) The commissioner shall request applications by June 1 each year, for county agencies to apply for targeted funds. The counties selected for targeted funds shall be notified of the amount of their additional funding by August 1 of each year. Targeted funds allocated to a county agency in one year shall be treated as part of the county's base allocation for that year in determining allocations for subsequent years. No reallocations between counties shall be made.

(g) The allocation for each year after fiscal year 1992 shall be determined using the previous fiscal year's allocation, including any targeted funds, as the base and then applying the criteria under subdivision 10, paragraphs (c), (d), and (f), to the current year's expenditures.

**Subd. 12. [CLIENT PREMIUMS.]** A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. The commissioner shall establish a premium schedule ranging from \$25 to \$75 per month based on the client's income and assets. Until July 1, 1993, the schedule is not subject to chapter 14. The commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the schedule in final form. The commissioner shall adopt a permanent rule governing client premiums by July 1, 1993, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

**Subd. 13. [COUNTY ALTERNATIVE CARE BIENNIAL PLAN.]** The commissioner shall establish by rule, in accordance with chapter 14, procedures for the submittal and approval of a biennial county plan for the administration of the alternative care program and the coordination with other planning processes for the older adult. In addition to the procedures in rule, this county biennial plan shall also include:

(1) information on the administration of the preadmission screening program;

(2) information on the administration of the home and community-based services waiver under section 256B.0915;

(3) an application for targeted funds under subdivision 11; and

(4) an optional notice of intent to apply to participate in the long-term care projects under section 256B.0917.

**Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.]** (a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must

*submit invoices within 120 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.*

*(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.*

*(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits 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, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.*

*(d) Annually on July 1, the commissioner must adjust the rates allowed for alternative care services by the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.*

**Sec. 12. [256B.0915] [MEDICAID WAIVER FOR HOME AND COMMUNITY-BASED SERVICES.]**

*Subdivision 1. [AUTHORITY.] The commissioner is authorized to apply for a home and community-based services waiver for the elderly, authorized under section 1915(c) of the Social Security Act, in order to obtain federal financial participation to expand the availability of services for persons who are eligible for medical assistance. The commissioner may apply for additional waivers or pursue other federal financial participation which is advantageous to the state for funding home care services for the frail elderly who are eligible for medical assistance. The provision of waived services to medical assistance recipients must comply with the criteria approved in the waiver.*

*Subd. 2. [SPOUSAL IMPOVERISHMENT POLICIES.] The commissioner shall seek to amend the federal waiver and the medical assistance state plan to allow spousal impoverishment criteria as authorized in Code of Federal Regulations, title 42, section 435.726(1924), and as implemented in sections 256B.0575, 256B.058, and 256B.059 to be applied to persons who are served on the home and community-based services waiver.*

*Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.*

*(b) The monthly limit for the cost of waived services to an individual waiver client shall be the regional average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system, for the applicable nursing home geographic group. The regional average payment rate is calculated by determining the monthly average nursing home rate for the applicable nursing home geographic group in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home*

residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month must have the commissioner's prior approval.

(e) Annually on July 1, the commissioner must adjust the rates allowed for services by the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(f) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(g) Beginning July 1, 1991, the state shall reimburse counties 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, for individuals who are receiving medical assistance.

Sec. 13. [256B.0917] [SENIORS AGENDA FOR INDEPENDENT LIVING (SAIL) PROJECTS FOR A NEW LONG-TERM CARE STRATEGY.]

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.]  
(a) The purpose of implementing SAIL projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota. The projects are part of the initial biennial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

(1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;

(2) develop a statewide system of information and assistance to enable easy access to long-term care services;

(3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care; and

(4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly served in institutional settings.

(b) The objective for the fiscal years 1992 and 1993 biennial plan is to implement at least four but not more than six projects in anticipation of a statewide program. These projects will begin the process of implementing: (1) a coordinated planning and administrative process; (2) a refocused function of the preadmission screening program; (3) the development of additional home, community, and residential alternatives to nursing homes; (4) a program to support the informal caregivers for elderly persons; and (5) programs to strengthen the use of volunteers. This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31. The services offered through these projects will be available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services shall establish SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, the county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area must establish a local long-term care coordinating team which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Social Security Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act;

(4) ensuring efficient services provision and nonduplication of funding; and

(5) designating a local lead agency and cooperating agencies to implement the local strategy. For purposes of this section, the local lead agency shall be a county agency, a public health nursing service under the local board of health, or an area agency on aging. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must evaluate the success of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(c) The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order

to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(d) The local long-term care coordinating team shall apply to be selected as a project. Once the team is selected as a project, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(e) Projects shall be selected according to the following conditions:

(1) No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.

(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:

(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.

(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category

*otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the rate is above the median rate of all counties, and a "low growth" category otherwise.*

*(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization - high growth, type 2 is high utilization - high growth, type 3 is high utilization - low growth, and type 4 is low utilization - low growth. Each county or group of counties making a proposal shall be assigned to one of these types.*

*(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph 3, item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b), clause (3), and for service developers and incentive grants in subdivision 5.*

*(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost-effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.*

*Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:*

*(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;*

*(2) an application for expansion of alternative care targeted funds under section 256B.0913, for serving 180-day eligible clients, including those who are relocated from nursing homes;*

*(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects; and*

*(4) development and implementation of strategies for advocating, promoting, and developing long-term care insurance and encouraging insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.*

*The county or groups of counties selected for the projects shall be required to comply with federal regulations, alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as defined in section 256B.0911, subdivisions 1 to 6, are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180-day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth*

*transition and follow-up for the individual's return to the community. Requirements for an access, screening, and assessment function replace the preadmission screening requirements and are defined in subdivision 4. Requirements for the service development and service provision are defined in subdivision 5.*

*Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone triage as defined in paragraph (f), home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to ensure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.*

*(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:*

*(1) The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993;*

*(2) The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and*

*(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under clauses (1) and (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.*

*(c) The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.*

*(d) Any information and referral functions funded by other sources, such as Title III and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local long-term care coordinating team in establishing this function to avoid duplication and to ensure access to information for persons needing help and information regarding long-term care.*

*(e) The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health*

*nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment.*

*(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face-to-face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager. The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to ensure that federal regulations and waiver provisions are met. For purposes of this section, the term "telephone triage" refers to a telephone or face-to-face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.*

*(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.*

*(h) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.*

*Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:*

*(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;*

*(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:*

*(i) additional adult family foster care homes;*

*(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;*

*(iii) an assisted living program in an apartment;*



(iv) a congregate housing service project in a subsidized housing project; and

(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;

(3) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;

(4) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;

(5) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) an expansion of local volunteer efforts and the organization of a local committee in a selected community for the purpose of developing a community care manager program. For purposes of this paragraph, a community care manager program is a community-based project which hires a registered nurse or social worker to coordinate the volunteers and services for the frail older residents within a neighborhood or community. The project must demonstrate the support of local community organizations, churches, and service agencies.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 14. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alternative care that does not require invoice processing through the medical assistance management information system (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

**Subd. 6. [STATEWIDE CAREGIVER SUPPORT AND RESPITE CARE RESOURCE CENTER; CAREGIVER SUPPORT AND RESPITE CARE PROJECTS.]** (a) The commissioner shall establish and maintain a statewide resource center for caregiver support and respite care. The resource center shall:

(1) provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;

*(2) identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;*

*(3) maintain a statewide caregiver support and respite care directory;*

*(4) educate caregivers on the availability and use of caregiver and respite care services;*

*(5) promote and expand caregiver training and support groups using existing networks when possible; and*

*(6) apply for and manage grants related to caregiver support and respite care.*

*(b) The commissioner shall establish up to 36 projects to expand the respite care network in the state and to support caregivers in their responsibilities for care. The purpose of each project shall be to:*

*(1) establish a local coordinated network of volunteer and paid respite workers;*

*(2) coordinate assignment of respite workers to clients and care receivers and ensure the health and safety of the client; and*

*(3) provide training for caregivers and ensure that support groups are available in the community.*

*(c) The caregiver support and respite care funds shall be available to the four to six local long-term care strategy projects designated in subdivisions 1 to 5.*

*(d) The commissioner shall publish a notice in the state register to solicit proposals from public or private nonprofit agencies for the projects not included in the four to six local long-term care strategy projects defined in subdivision 2. A county agency may, alone or in combination with other county agencies, apply for caregiver support and respite care project funds. A public or nonprofit agency may apply for project funds if the agency has a letter of agreement with the county or counties in which services will be developed, stating the intention of the county or counties to coordinate their activities with the agency requesting a grant.*

*(e) The commissioner shall select grantees based on the following criteria:*

*(1) the ability of the proposal to demonstrate need in the area served, as evidenced by a community needs assessment or other demographic data;*

*(2) the ability of the proposal to clearly describe how the project will achieve the purpose defined in paragraph (b);*

*(3) the ability of the proposal to reach underserved populations;*

*(4) the ability of the proposal to demonstrate community commitment to the project, as evidenced by letters of support and cooperation as well as formation of a community task force;*

*(5) the ability of the proposal to clearly describe the process for recruiting, training, and retraining volunteers; and*

*(6) the inclusion in the proposal of the plan to promote the project in the community, including outreach to persons needing the services.*

*(f) Funds for all projects under this subdivision may be used to:*

*(1) hire a coordinator to develop a coordinated network of volunteer and*

*paid respite care services and assign workers to clients;*

- (2) recruit and train volunteer providers;*
  - (3) train caregivers;*
  - (4) ensure the development of support groups for caregivers;*
  - (5) advertise the availability of the caregiver support and respite care project; and*
  - (6) purchase equipment to maintain a system of assigning workers to clients.*
- (g) Project funds may not be used to supplant existing funding sources.*

*(h) An advisory committee shall be appointed to advise the caregiver support project on the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under this section. The advisory committee shall consist of not more than 12 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers, and consumers from all areas of the state. Members of the advisory committee shall not be compensated for service.*

*Subd. 7. [EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993.*

*Subd. 8. [PUBLIC AWARENESS CAMPAIGN.] The commissioner, with assistance from the commissioner of health and with the advice of the long-term care planning committee, shall contract for a public awareness campaign to educate the general public, seniors, consumers, caregivers, and professionals about the aging process, the long-term care system, and alternatives available including alternative care and residential alternatives. Particular emphasis will be given to informing consumers on how to access the alternatives and obtain information on the long-term care system. The commissioner shall pursue the development of new names for preadmission screening, alternative care, and foster care.*

**Sec. 14. [256B.0919] [ADULT FOSTER CARE AND FAMILY ADULT DAY CARE.]**

*Subdivision 1. [ADULT FOSTER CARE LICENSURE CAPACITY.] Notwithstanding contrary provisions of the human services licensing act and rules adopted under it, an adult foster care license holder may care for five adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. The license holder under this section shall not be a corporate business which operates more than two facilities.*

*Subd. 2. [ADULT FOSTER CARE; FAMILY ADULT DAY CARE.] An adult foster care license holder may also provide family adult day care for adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. The maximum combined license capacity for adult foster care and family adult day care is five adults. A separate license is not required to provide family adult day care under this subdivision. Foster care homes providing services to five adults shall not be subject to licensure by the commissioner of health under the provisions of*

*chapter 144, 144A, 157, or any other law requiring facility licensure by the commissioner of health.*

**Subd. 3. [COUNTY CERTIFICATION OF PERSONS PROVIDING ADULT FOSTER CARE TO RELATED PERSONS.]** *A person exempt from licensure under section 245A.03, subdivision 2, who provides adult foster care to a related individual age 65 and older, and who meets the requirements in Minnesota Rules, parts 9555.5105 to 9555.6265, may be certified by the county to provide adult foster care. A person certified by the county to provide adult foster care may be reimbursed for services provided and eligible for funding under sections 256B.0913 and 256B.0915, if the relative would suffer a financial hardship as a result of providing care. For purposes of this subdivision, financial hardship refers to a situation in which a relative incurs a substantial reduction in income because he or she resigns from a full-time job or takes a leave of absence without pay from a full-time job to care for the client.*

Sec. 15. Minnesota Statutes 1990, section 256B.093, is amended to read:

**256B.093 [SERVICES FOR PERSONS WITH TRAUMATIC BRAIN INJURIES.]**

**Subdivision 1. [STATE COORDINATOR.]** The commissioner of human services shall designate a full-time position within the long-term care management division of the department of human services to supervise and coordinate services for persons with *traumatic* brain injuries.

*An advisory committee shall be established to provide recommendations to the department regarding program and service needs of persons with traumatic brain injuries.*

**Subd. 2. [ELIGIBILITY.]** The commissioner may contract with qualified agencies or ~~persons employ staff to provide statewide case management services to medical assistance recipients who are at risk of institutionalization and meet one of the following criteria:~~ (a) ~~The person has a who have traumatic brain injury.~~

~~(b) The person is receiving home care services or is in an institution and has a discharge plan requiring the provision of home care services and meets one of the following criteria:~~

~~(1) the person suffers from a brain abnormality or degenerative brain disease resulting in significant destruction of brain tissue and loss of brain function that requires extensive services over an extended period of time;~~

~~(2) the person is unable to direct the person's own care;~~

~~(3) the person has medical home care costs that exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;~~

~~(4) the person is eligible for medical assistance under the option for certain disabled children in section 434 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA);~~

~~(5) the person receives home care from two or more providers who are unable to effectively coordinate the services; or~~

~~(6) the person has received or will receive home care services for longer than six months.~~

**Subd. 3. [CASE MANAGEMENT DUTIES.]** The department shall fund

the case management ~~contracts~~ *under this subdivision* using medical assistance administrative funds. ~~The contractor must~~ *Case management duties include:*

- (1) ~~assess~~ *assessing* the person's individual needs for services required to prevent institutionalization;
- (2) ~~assure~~ *ensuring* that a care plan that ~~meets~~ *addresses* the person's needs is developed, *implemented, and monitored on an ongoing basis* by the appropriate agency or individual;
- (3) ~~assist~~ *assisting* the person in obtaining services necessary to allow the person to remain in the community;
- (4) ~~coordinate~~ *coordinating* home care services with other medical assistance services under section 256B.0625;
- (5) ~~assure cost effectiveness of~~ *ensuring appropriate, accessible, and cost-effective* medical assistance services;
- (6) ~~make recommendations~~ *recommending* to the commissioner ~~on~~ the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;
- (7) ~~assist~~ *assisting* the person with problems related to the provision of home care services;
- (8) ~~assure~~ *ensuring* the quality of home care services; ~~and~~
- (9) ~~reassess~~ *reassessing* the person's need for and level of home care services at a frequency determined by the commissioner; ~~and~~
- (10) *recommending to the commissioner the approval or denial of medical assistance funds for out-of-state placements for traumatic brain injury services.*

Subd. 4. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Traumatic brain injury" means a sudden insult or damage to the brain or its coverings, not of a degenerative *or congenital* nature. The insult or damage may produce an altered state of consciousness ~~or~~ *and may result* in a decrease in ~~mental~~, cognitive, behavioral, *emotional*, or physical functioning resulting in partial or total disability.

(b) "Home care services" means medical assistance home care services defined under section 256B.0625, subdivisions 6 *6a*, 7, and ~~19~~ *19a*.

Sec. 16. Minnesota Statutes 1990, section 256B.64, is amended to read: 256B.64 [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

A ventilator-dependent recipient of medical assistance who has been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. The personal care assistant or private duty nurse shall perform only the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety, and personal care needs of the patient.

The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. ~~After the 120-hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician, and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant are necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order for payments to continue. Within 36 hours of the end of the 120-hour transition period, an assessment may be made by the ventilator-dependent recipient, the attending physician, and the hospital staff caring for the recipient. If the persons making the assessment determine that additional communicator or interpreter services are medically necessary, the hospital must contact the commissioner 24 hours prior to the end of the 120-hour transition period and submit the assessment information to the commissioner. The commissioner shall review the request and determine if it is medically necessary to continue the interpreter services or if the hospital staff has had sufficient opportunity to adequately determine the needs of the patient. The commissioner shall determine if continued service is necessary and appropriate and whether or not payments shall continue. The commissioner may not authorize services beyond the limits of the available appropriations for this section. The commissioner may adopt rules necessary to implement this section. Reimbursement under this section must be at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient under the medical assistance program.~~

Sec. 17. Minnesota Statutes 1990, section 256D.44, is amended by adding a subdivision to read:

*Subd. 7. [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.] If a current negotiated rate for a foster care placement is for an individual who is eligible for the home and community-based services waiver for the elderly, the negotiated rate must include only the room and board portion of the rate. The room and board portion of the negotiated rate is an amount equal to the difference between the medical assistance income limit for a single disabled or aged adult minus the amount of the medical assistance personal needs allowance for persons residing in a nursing facility.*

Sec. 18. Laws 1988, chapter 689, article 2, section 256, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF PROJECTS.] The commissioner of human services shall establish pilot projects to demonstrate the feasibility and cost-effectiveness of alternatives to nursing home care that involve providing coordinated alternative care grant services for all eligible residents in an identified apartment building or complex or other congregate residential setting. The commissioner shall solicit proposals from counties and shall select up to four counties to participate, including at least one metropolitan county and one county in greater Minnesota. The commissioner shall select counties for participation based on the extent to which a proposed project is likely to:

- (1) meet the needs of low-income, frail elderly;
- (2) enable clients to live as independently as possible;

(3) result in cost-savings by reducing the per person cost of alternative care grant services through the efficiencies of coordinated services; and

(4) facilitate the discharge of elderly persons from nursing homes to less restrictive settings or delay their entry into nursing homes.

Participating counties shall use existing alternative care grant allocations to pay for pilot project services. The counties must contract with a medical assistance-certified home care agency to coordinate and deliver services and must demonstrate to the commissioner that quality assurance and auditing systems have been established. Notwithstanding Minnesota Statutes, section 256B.091, and rules of the commissioner of human services relating to the alternative care grants program, the commissioner may authorize pilot projects to use a monthly pre-capitated rates rate up to 75 percent of the regional monthly average nursing facility payment rate as defined in Minnesota Statutes, section 256B.0913; to provide expanded services such as chore services, activities, and meal planning, preparation, and serving; and to waive freedom of choice of vendor to the extent necessary to allow one vendor to provide services to all eligible persons in a residence or building. The commissioner may apply for a waiver of federal requirements as necessary to implement the pilot projects.

Sec. 19. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the Minnesota board on aging for the biennium ending June 30, 1993, for the congregate housing services demonstration projects in section 3.*

Sec. 20. [REPEALER.]

*Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; and 256B.71, subdivision 5, are repealed."*

Delete the title and insert:

"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 seniors agenda for independent living (SAIL) projects; appropriating money; amending Minnesota Statutes 1990, sections 144A.31; 144A.46, subdivision 4; 256B.04, subdivision 16; 256B.0625, subdivision 7, and by adding subdivisions; 256B.0627; 256B.093; 256B.64; and 256D.44, by adding a subdivision; 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; 256B.091; and 256B.71, subdivision 5."

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Marty introduced—

S.F. No. 1531: A bill for an act relating to taxation; reducing the property tax class rate applied to certain residential property; adjusting the income tax rates; establishing the Minnesota working family credit; appropriating money; amending Minnesota Statutes 1990, sections 273.13, subdivisions 22 and 25; and 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Ms. Flynn, Messrs. Solon; Johnson, D.J.; Benson, D.D. and Frederickson, D.J. introduced—

S.F. No. 1532: A bill for an act relating to health; establishing a state board of physical therapy; providing licensing requirements for physical therapists; amending Minnesota Statutes 1990, sections 148.66; 148.67; 148.70; 148.705; 148.71; 148.72, subdivisions 1, 2, and 4; 148.73; 148.74; 148.75; 148.76; 148.78; and 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1533: A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

Under the rules of the Senate, laid over one day.

Mr. Hottinger introduced—

S.F. No. 1534: A bill for an act relating to occupations and professions; changing education requirements for certification and licensure as a certified public accountant; amending Minnesota Statutes 1990, section 326.19.

Referred to the Committee on Commerce.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1535: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1990, sections 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

Under the rules of the Senate, laid over one day.



**MEMBERS EXCUSED**

Mrs. Brataas and Mr. Hughes were excused from the Session of today. Mr. Frank was excused from the Session of today at 4:30 p.m. Ms. Pappas was excused from the Session of today from 1:15 to 1:50 p.m. Ms. Piper was excused from the Session of today from 1:30 to 1:45 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Saturday, April 27, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-FIRST DAY

St. Paul, Minnesota, Saturday, April 27, 1991

The Senate met at 8:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. DeCramer 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	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.	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	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.

### REPORTS OF COMMITTEES

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

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

S.F. No. 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.

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

Page 1, delete section 1

Page 2, lines 10 to 14, delete the new language

Page 2, line 34, delete everything after the period

Page 2, delete lines 35 and 36

Page 3, delete lines 1 and 2

Page 3, lines 5 and 10, after "*reduction*" insert ", reuse,"

Page 3, after line 10, insert:

*"(d) The commissioner may contract with private entities for the activities required in this subdivision if the commissioner determines that it would be cost-effective to do so."*

Pages 3 and 4, delete sections 4 and 5

Page 4, delete lines 4 to 7

Page 4, line 8, delete "*Subd. 2.* [DEPARTMENT OF ADMINISTRATION.]"

Page 4, line 16, delete "(a)" and delete the first "\$ . . . . ." and insert "\$170,000" and delete the second "\$ . . . . ." and insert "\$205,000"

Page 4, delete lines 17 to 21

Page 4, line 24, delete ". . . ." and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "and training program;"

Page 1, line 9, delete "sections 115A.07, by adding a" and insert "section"

Page 1, line 10, delete "subdivision;"

Page 1, line 11, delete "subdivisions" and insert "a subdivision"

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 re-referred

S.F. No. 835: 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.

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

Page 2, line 29, delete everything after the headnote

Page 2, line 30, delete everything before "the"

Page 7, delete lines 18 to 20

Page 7, line 21, before "be" insert "must"

Page 7, line 25, delete everything after the period

Page 7, delete lines 26 to 30

Page 8, line 3, delete "further the objectives described in" and insert "are consistent with"

Page 8, line 26, delete "Subdivision 1. [PROPOSED ACTION.]"

Page 8, line 36, delete "under" and insert a period

Page 9, delete lines 1 to 31

Pages 9 and 10, delete section 9

Page 11, line 4, delete everything after the headnote

Page 11, line 5, delete everything before "the"

Page 12, after line 27, insert:

"Sec. 13. [INITIAL APPOINTMENTS.]

*The commissioner of corrections shall make the appointments required by sections 2 and 12 within 60 days after the effective date of those sections.*"

Page 12, line 30, after the period, insert "Sections 2, subdivision 4; and 11, subdivision 4, are repealed effective August 1, 1992."

Renumber the sections in sequence

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

Mr. Waldorf from the Committee on Governmental Operations, to which was re-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 12, line 14, delete "*any person named therein,*" and insert "*a person it names*"

Page 13, line 20, delete "*pursuant to*" and insert "*under*"

Page 15, line 13, delete "*shall*" and insert "*may*"

Page 16, line 34, delete "*shall*" and insert "*must*"

Page 20, line 21, delete "CREATION" and insert "DUTIES"

Page 20, line 22, delete "*is created*" and delete "*to*" and insert "*shall*"

Page 20, line 35, delete "*pursuant to*" and insert "*under*"

Page 21, line 12, delete "CREATION" and insert "DUTIES"

Page 21, line 13, delete "*is created to*" and insert "*shall*"

Page 21, line 24, delete "*seven*" and insert "*nine*" and delete "*five*" and insert "*six*"

Page 21, line 25, delete "*two*" and insert "*three*"

Page 21, line 26, delete everything after the period

Page 21, delete lines 27 to 29

Page 21, line 31, delete "*pursuant*"

Page 21, line 32, delete "*to requirements*"

Page 24, lines 18, 19, and 25, delete "*pursuant to*" and insert "*under*"

Page 27, delete lines 2 to 9

Page 29, line 35, delete "*shall be*" and insert "*is*"

Page 29, line 36, delete "*shall constitute*" and insert "*constitutes*"

Page 30, line 30, delete "*shall*" and insert "*may*"

Page 31, line 12, delete "*pursuant to*" and insert "*in accordance with*"

Page 32, line 30, delete "*any person named therein,*" and insert "*a person it names*"

Page 33, line 21, delete "*shall*" and insert "*may*"

Page 33, line 34, delete "*pursuant to*" and insert "*under*"

Page 34, line 5, delete "*must*" and insert "*may*"

Page 35, lines 20 and 36, delete "*shall*" and insert "*must*"

Page 36, line 4, delete "*(a)*" and insert "*(1)*"

Page 36, line 6, delete "*(b)*" and insert "*(2)*"

Page 36, line 12, delete "*(c)*" and insert "*(3)*"

Page 36, line 14, delete "*(d)*" and insert "*(4)*"

Page 36, line 17, delete "(e)" and insert "(5)"

Page 36, line 20, delete "(f)" and insert "(6)"

Page 36, line 29, delete "(g)" and insert "(7)"

Page 36, line 31, delete "(h)" and insert "(8)"

Page 36, line 33, delete "(i)" and insert "(9)"

Page 37, line 1, delete "(j)" and insert "(10)"

Page 37, line 4, delete "(k)" and insert "(11)"

Page 37, line 8, delete "(l)" and insert "(12)"

Page 37, line 11, delete "(m)" and insert "(13)"

Page 37, line 14, delete "(n)" and insert "(14)"

Page 37, line 18, delete "(o)" and insert "(15)"

Page 37, line 21, delete "(p)" and insert "(16)"

Page 37, line 23, delete "(q)" and insert "(17)"

Page 37, line 31, delete "shall" and insert "must"

Page 38, line 8, delete everything after the period

Page 38, delete lines 9 to 13

Page 40, after line 26, insert:

"Sec. 36. [INITIAL APPOINTMENTS TO ADVISORY COUNCIL.]

*Notwithstanding section 22, subdivision 2, the commissioner of health, in making the initial appointments to the mental health practitioner advisory council, shall appoint at least four persons who were members of the board of unlicensed mental health service providers on June 30, 1991.*

Sec. 37. [TRANSFER OF DATA AND RECORDS.]

*By June 30, 1992, the board of unlicensed mental health service providers shall transfer to the office of mental health practice all data and records obtained by the board as investigative data under Minnesota Statutes, section 148B.09, subdivision 1, and all other data gathered by the board.*

Sec. 38. [INITIAL EXPENSES.]

*For the transition period from July 1, 1991, to June 30, 1992, the commissioner of health shall use a portion of the money collected under section 33 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."*

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 re-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; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Page 6, line 3, before the period, insert “, *including roofing*”

Page 7, line 13, delete “\$1,500” and insert “\$2,500”

Page 7, line 17, delete the period and insert “, *provided that*”

Page 7, line 18, delete “*competency*”

Page 7, line 21, delete the period and insert “, *and*”

Page 7, after line 25, insert:

“(8) *a person doing excavation for the installation of an on-site sewage treatment system.*”

Page 7, line 26, delete “(8)” and insert “(9)”

Page 7, line 29, delete “(9)” and insert “(10)”

Page 9, line 12, after the semicolon, insert “*and*”

Page 9, line 14, delete “; *and*”

Page 9, delete lines 15 and 16

Page 9, line 17, delete everything before the period

Page 9, line 28, after “30” insert “*business*”

Page 9, line 29, delete “*application*”

Page 10, line 1, after “(1)” insert “*Minnesota*”

Page 10, line 15, delete “*within*”

Page 10, line 16, delete everything before “*that*”

Page 10, line 20, after the first comma, insert “*negligence, breach of contract,*” and delete “*five*” and insert “*ten*”

Page 10, line 23, after “*governmental*” insert “*unit or*”

Page 10, line 24, delete everything after “*state*”

Page 10, line 25, delete everything before the semicolon

Page 12, line 4, delete “*real estate*”

Page 12, line 6, after “*supervise*” insert “*employees, agents.*”

Page 12, line 7, after the comma, insert “*or has performed negligently or in breach of contract.*”

Page 12, line 10, delete everything after “*has*”

Page 12, line 11, delete “*license,*”

Page 12, line 12, delete “*or*”

Page 12, line 14, before the period, insert “;”

*(8) has failed to use the proceeds of any payment made to the licensee for the construction of, or any improvement to, residential real estate, as*

*defined in section 326.83, for the payment of labor, skill, material, and machinery contributed to the construction or improvement, knowing that the cost of any labor performed, or skill, material, or machinery furnished for the improvement remains unpaid; or*

*(9) has not furnished to the person making payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for an improvement, or a payment bond in the basic amount of the contract price for the improvement conditioned for the prompt payment to any person or persons entitled to payment"*

Page 13, line 13, delete "regulations" and insert "rules"

Page 13, line 18, delete "shall" and insert "may"

Page 14, line 26, delete everything after "received"

Page 14, line 27, delete everything before the period

Page 14, line 33, delete "January 1" and insert "March 31"

Page 15, line 3, after the period, insert "*The commissioner may stagger the dates of license renewal.*"

Page 15, after line 9, insert:

"Sec. 24. [EFFECTIVE DATE.]

*Sections 9 and 22 are effective the day following final enactment."*

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

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.

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

Page 6, after line 35, insert:



"Sec. 5. [16A.86] [LAND MANAGEMENT INFORMATION CENTER.]

*(a) The purpose of the land management information center in the department of finance is to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development. The commissioner, through the center, shall periodically study land use and natural resources on the basis of county, regional, and other political subdivisions.*

*(b) The commissioner shall set fees under section 16A.128, subdivision 2, reflecting the actual costs of providing the center's information products and services to clients. Fees collected must be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the commissioner for operation of the land management information system, including the cost of services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the department that is attributable to the land management information system. The commissioner may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from operations must be distributed to the funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bear 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."*

Page 7, line 26, delete "6" and insert "7"

Pages 8 and 9, delete section 7

Page 13, line 34, delete "administration" and insert "finance"

Page 15, lines 14 and 25, delete "administration" and insert "finance"

Page 16, line 24, delete "administration" and insert "finance"

Page 17, lines 7, 17, and 25, delete "administration" and insert "finance"

Page 18, lines 16, 19, and 24, delete "administration" and insert "finance"

Page 19, lines 1 and 4, delete "administration" and insert "finance"

Page 22, line 28, delete "administration" and insert "finance"

Page 23, line 3, strike "17-member" and insert "16-member"

Page 23, lines 5, 21, and 25, delete "administration" and insert "finance"

Page 24, line 32, delete "human services" and insert "education"

Page 24, line 33, strike "commissioners" and insert "commissioner"

Page 24, line 34, reinstate the stricken "human services" and delete "health" and strike "and education"

Page 25, lines 8 and 31, delete "human services" and insert "education"

Page 26, line 35, delete "human services" and insert "education"

Page 27, line 13, delete "human services" and insert "education"

Page 27, line 22, delete "5" and insert "6"

Page 29, line 32, delete "5" and insert "6"

Page 31, lines 17 and 36, delete "5" and insert "6"

Page 34, line 35, delete "5" and insert "6"

Page 35, line 33, delete "5" and insert "6"

Page 41, line 19, delete "5" and insert "6"

Page 42, after line 25, insert:

"Sec. 69. [TRANSFERS.]

*(a) All powers and duties of the state planning agency relating to developmental disability and the developmental disability council are transferred to the commissioner of administration.*

*(b) The authority of the state planning agency to conduct a timber harvesting generic environmental impact statement is transferred to the commissioner of administration.*

*(c) Authority of the state planning agency to administer state and federal grants and other state and federal programs is assigned to the commissioner of administration, to the extent not otherwise assigned by sections 1 to 69 or other law.*

Sec. 70. [EFFECT OF TRANSFERS.]

*Minnesota Statutes, section 15.039, subdivisions 1 to 6, applies to transfers under sections 1 to 70. Section 15.039, subdivision 7, does not apply. Complement transfers are as follows:*

*(1) Thirty general fund positions in the state planning agency are transferred as follows: positions associated with the state demographer, the developmental disability council, and telecommunications policy are transferred to the department of administration. Positions associated with the land management information center and the environmental quality board are transferred to the department of finance.*

*(2) Positions in the state planning agency funded by a fund other than the general fund are transferred according to section 15.039, subdivision 7, to the agency to which responsibilities are transferred by sections 1 to 70. A position funded by a fund other than the general fund associated with the office of dispute resolution is transferred to the department of administration.*

*This section does not abrogate or modify any rights enjoyed by affected employees under the managerial or commissioner's plan under Minnesota Statutes, section 43A.18, or the terms of an agreement between an exclusive representative of state employees and the state."*

Page 42, line 30, after "144.874" insert ", subdivision 7"

Amend the title as follows:

Page 1, line 28, before the period, insert ", subdivision 7"

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. 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.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation. Report adopted.

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

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [117.57] [AUTHORITIES; RAILROAD PROPERTIES.]

*Subdivision 1. [GENERAL.] The power of eminent domain of an authority, as defined in section 469.174, subdivision 2, extends to railroad properties located within the authority's limits, provided:*

*(1) the railroad property is not a line of track for which abandonment is required under federal law, or if it is a line of track for which abandonment is required under federal law, abandonment has been approved;*

*(2) some part of the property 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;*

*(3) the authority intends to develop the property and has a plan for its cleanup and development within five years; and*

*(4) any railroad use for which the property is being used on the date when the condemnation petition is filed with the court is capable of being relocated.*

*Upon a showing by the petitioner in condemnation proceedings that the conditions described in clauses (1) to (4) exist, then the public use to which the authority would put the property will be presumed a superior public use to railroad use or any other past, present, or proposed future use, regardless of whether the property is held in trust, was previously acquired by condemnation, or is owned by a railroad. The presumption may be rebutted by a showing by the railroad that the property is necessary for the ongoing and efficient operation of the railroad.*

*Subd. 2. [STATE RAIL BANK.] This section does not supersede section 222.63.*

*Subd. 3. [SPUR LINE FOR AGRICULTURAL USE.] (a) Except as provided in paragraph (b), subdivision 1 does not apply to railroad property that is in a county outside of the metropolitan area as defined in section 473.121, subdivision 2, if:*

*(1) the property is a spur line in actual use; and*

*(2) the spur line is the principal means of transportation for an agricultural use, as defined in section 17.81, subdivision 4, by an owner or lessee of real estate abutting the spur line.*

*(b) The spur line may be acquired pursuant to subdivision 1 with the written consent of all the owners or lessees described in paragraph (a), clause (2)."*

Delete the title and insert:

"A bill for an act relating to eminent domain; providing for exercise of eminent domain power over properties owned by railroads; proposing coding for new law in Minnesota Statutes, chapter 117."

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

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

S.F. No. 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.

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

Page 1, delete lines 16 to 29 and insert:

*"(a) Every summons must include the notice in this paragraph.*

**NOTICE OF TEMPORARY RESTRAINING PROVISIONS**

**UNDER MINNESOTA LAW, SERVICE OF THIS SUMMONS MAKES THE FOLLOWING REQUIREMENTS APPLY TO BOTH PARTIES TO THIS ACTION, UNLESS THEY ARE MODIFIED BY THE COURT OR THE PROCEEDING IS DISMISSED:**

**(1) NEITHER PARTY MAY DISPOSE OF ANY ASSETS EXCEPT (i) FOR THE NECESSITIES OF LIFE OR FOR THE NECESSARY GENERATION OF INCOME OR PRESERVATION OF ASSETS, (ii) BY AN AGREEMENT IN WRITING, OR (iii) FOR RETAINING COUNSEL TO CARRY ON OR TO CONTEST THIS PROCEEDING;**

**(2) NEITHER PARTY MAY HARASS THE OTHER PARTY; AND**

**(3) ALL CURRENTLY AVAILABLE INSURANCE COVERAGE MUST BE MAINTAINED AND CONTINUED WITHOUT CHANGE IN COVERAGE OR BENEFICIARY DESIGNATION.**

**IF YOU VIOLATE ANY OF THESE PROVISIONS, YOU WILL BE SUBJECT TO SANCTIONS BY THE COURT.**

*(b) Upon service of the summons, the restraining provisions contained in the notice apply by operation of law upon both parties until modified by further order of the court or dismissal of the proceeding, unless more than one year has passed since the last document was filed with the court."*

Page 2, line 5, delete "may" and insert "must"

Page 2, line 6, delete "requiring"

Page 2, line 10, before the semicolon, insert "and at least 20 days have elapsed since the time for answering under section 518.12 expired"

Page 2, line 14, delete "above"

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1990, section 518.167, is amended by adding a subdivision to read:

*Subd. 5. [COSTS.] The court shall order all or part of the cost of the investigation and report to be paid by either or both parties, based on their ability to pay. Any part of the cost that the court finds the parties are incapable of paying must be borne by the county welfare agency or department of court services that performs the investigation. The court may not order costs under this subdivision to be paid by a party receiving public assistance or legal assistance from a qualified legal services program or by a party whose annual income falls below the poverty line under United States Code, title 42, section 9902(2)."*

Page 3, line 13, before "The" insert "Upon request of either or both parties," and strike "upon"

Page 3, line 14, strike "request of either or both parties,"

Page 3, after line 18, insert:

*"The court shall use a rebuttable presumption that joint physical custody is not in the best interests of the child if either party objects to joint physical custody."*

Page 3, delete lines 24 to 26

Page 3, line 30, delete "utilize" and insert "use" and delete "set forth"

Page 3, line 33, after "marriage" insert a comma

Page 4, delete line 3

Page 4, line 4, delete "(6)" and insert "(5)"

Page 4, line 7, delete "(7)" and insert "(6)"

Page 4, lines 8 and 10, delete "\$10,000" and insert "\$25,000"

Page 4, line 9, delete "(8)" and insert "(7)"

Page 4, line 11, delete "(9)" and insert "(8)"

Page 4, line 20, delete "of this section"

Page 4, line 24, delete "waiving" and insert "preserving"

Page 4, line 28, delete "the" and insert "any"

Page 4, line 29, after "available" insert "from the court"

Page 4, line 30, delete "had" and delete the first "the" and insert "any such"

Page 5, line 9, delete the quotation marks in both places

Page 5, line 13, delete "Subd. 5." and insert "Sec. 6." and before "The" insert paragraph coding

Page 5, line 14, after "*process*" insert "*under section 5*"

Page 5, line 17, delete "*shall*" and insert "*must*"

Page 5, delete lines 31 to 33 and insert:

"Sec. 7. Minnesota Statutes 1990, section 518B.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means: (i) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, between family or household members; or (ii) criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, or 609.345, committed against a minor family or household member by an adult family or household member.

(b) "Family or household members" means spouses, former spouses, parents and children, persons related by blood, and persons who are presently residing together or who have resided together in the past, and persons who have a child in common regardless of whether they have been married or have lived together at any time. "*Family or household member*" also includes a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time. Issuance of an order for protection on this ground does not affect a determination of paternity under sections 257.51 to 257.74.

Sec. 8. [REPEALER.]

*Section 5 is repealed effective July 1, 1996, for cases filed on or after that date.*"

Page 5, line 34, delete "6" and insert "9"

Amend the title as follows:

Page 1, line 5, delete "certain" and after "orders" insert "in contested custody cases and providing for payment of investigation costs"

Page 1, line 11, delete "subdivision 1; and" and insert "by adding a subdivision;" and after "2;" insert "518B.01, subdivision 2;"

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

Mr. Solon from the Committee on Commerce, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [62A.135] [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) *This section applies to individual or group policies designed primarily to provide coverage for hospital or medical expenses on a per diem, fixed*

*indemnity, or nonexpense incurred basis issued or renewed to provide coverage after August 1, 1991, to a Minnesota resident.*

*(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:*

*(1) at least 75 percent of the aggregate amount of premiums collected in the case of group policies; and*

*(2) at least 65 percent of the aggregate amount of premiums collected in the case of individual policies."*

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. 1201 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.
1201	1190				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1201 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1201 and insert the language after the enacting clause of S.F. No. 1190, the first engrossment; further, delete the title of H.F. No. 1201 and insert the title of S.F. No. 1190, the first engrossment.

And when so amended H.F. No. 1201 will be identical to S.F. No. 1190, and further recommends that H.F. No. 1201 be given its second reading and substituted for S.F. No. 1190, 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 the following appointment as reported in the Journal for February 4, 1991:

DEPARTMENT OF AGRICULTURE  
COMMISSIONER

Elton Redalen

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. 1533, 1535 and 1117 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 1201 was read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Johnson, D.J. moved that the name of Mr. Marty be added as a co-author to S.F. No. 1511. The motion prevailed.

Mr. Marty moved that the names of Ms. Piper, Messrs. Finn, Chmielewski and Kroening be added as co-authors to S.F. No. 1531. The motion prevailed.

Mr. Cohen introduced—

Senate Resolution No. 64: A Senate resolution congratulating Homer D. Miles, Reservation Director, Tomahawk Scout Reservation, Boy Scouts of America, on his retirement.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 724, 962, 118, 1019, 593, 765, 976, 1213, 1129, 1032, 1235, 743, 139 and H.F. Nos. 1418, 422, 479, 1282, 584, 623, 807, which the committee recommends to pass.

S.F. No. 385, which the committee recommends to pass with the following amendment offered by Ms. Johnston:

Page 1, after line 6, insert:

“Section 1. 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "encouraging geographic balance on the metropolitan council;"

Page 1, line 5, delete "section" and insert "sections 473.123, subdivision 3; and"

The motion prevailed. So the amendment was adopted.

S.F. No. 1027, which the committee recommends to pass with the following amendment offered by Mr. Larson:

Page 1, after line 5, insert:

"Section 1. [85.045] [ADOPT-A-PARK PROGRAM.]

*Subdivision 1. [CREATION.] The Minnesota adopt-a-park program is established. The commissioner shall coordinate the program through the regional offices of the department of natural resources.*

*Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, monuments, historic sites, and trails.*

*Subd. 3. [AGREEMENTS.] (a) The commissioner shall enter into informal agreements with business and civic groups or individuals for volunteer services to maintain and make improvements to real and personal property*

*in state parks, monuments, historic sites, and trails in accordance with plans devised by the commissioner after consultation with the groups.*

*(b) The commissioner may erect appropriate signs to recognize and express appreciation to groups and individuals providing volunteer services under the adopt-a-park program.*

*(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the adopt-a-park program.*

*(d) This section is not subject to chapter 14."*

Page 1, delete line 6 and insert:

"Sec. 2. [STUDY AND REPORT.]"

Page 1, line 8, delete "Senate and House" and insert "senate and house"

Page 1, line 9, delete "Representatives" and insert "representatives" and delete "feasibility" and insert "implementation" and delete "a" and insert "the"

Page 1, line 10, delete everything after "program" and insert "established in section 1."

Page 1, delete lines 11 and 12

Page 1, line 13, delete everything before "The" and delete "shall" and insert "must"

Page 1, line 17, after "volunteers." insert "and"

Page 1, line 18, delete everything after "accomplishments" and insert a period

Page 1, line 19, delete everything before "The" and delete "shall" and insert "must"

Page 1, line 20, delete "any" and insert "recommended" and delete "required" and delete "implementing" and insert "improving"

Page 1, line 22, delete "2" and insert "3"

Page 1, line 23, delete "Section 1" and insert "This act"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H. F. No. 633, which the committee recommends to pass with the following amendment offered by Ms. Johnston:

Amend H.F. No. 633, the unofficial engrossment, as follows:

Page 2, line 9, delete "without" and insert "unless" and after "observer" insert "is"

Page 2, line 10, after "board" insert "or the personal watercraft is equipped with a mirror providing the operator a wide field of vision to the rear"

The motion prevailed. So the amendment was adopted.

S.F. No. 735, which the committee reports progress, subject to the following motions:

Mr. Waldorf moved to amend S.F. No. 735 as follows:

Page 1, line 16, after the period, insert "A union representative may not use time donated under this subdivision for lobbying or political purposes."

Mr. Lessard moved to amend the Waldorf amendment to S.F. No. 735 as follows:

Page 1, line 4, delete "lobbying or"

The question was taken on the adoption of the Lessard amendment to the Waldorf amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Johnston	Metzen	Stumpf
Bernhagen	Frederickson, D.R.	Kroening	Price	Vickerman
Bertram	Halberg	Larson	Renneke	
Dahl	Hottinger	Lessard	Riveness	
Finn	Johnson, D.E.	McGowan	Samuelson	
Frank	Johnson, D.J.	Mehrkens	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, J.B.	Moe, R.D.	Ranum
Belanger	Cohen	Kelly	Mondale	Reichgott
Benson, D.D.	Day	Knaak	Morse	Sams
Benson, J.E.	DeCramer	Langseth	Neuville	Spear
Berg	Dicklich	Luther	Pappas	Storm
Berglin	Flynn	Marty	Piper	Traub
Brataas	Gustafson	Merriam	Pogemiller	Waldorf

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Waldorf amendment. The motion prevailed. So the Waldorf amendment was adopted.

S.F. No. 735 was then progressed.

H.F. No. 137, which the committee recommends to pass with the following amendments offered by Messrs. Luther and Laidig:

Mr. Luther moved to amend H.F. No. 137, as amended pursuant to Rule 49, adopted by the Senate April 11, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 4.)

Page 3, line 35, before "A" insert "(a)"

Page 4, line 4, delete "ten days after the primary" and insert "16 days before the general election"

Page 4, after line 4, insert:

"(b) A candidate may withdraw after the deadline in paragraph (a) if:

(1) the candidate withdraws because of a catastrophic illness that was diagnosed after the deadline for withdrawal;

(2) the candidate's illness will permanently and continuously incapacitate the candidate and prevent the candidate from performing the duties of the office sought; and

(3) the candidate or the candidate's legal guardian files with the affidavit of withdrawal a certificate verifying that the candidate's illness meets the

*requirements of clauses (1) and (2), signed by at least two licensed physicians.”*

Page 4, line 16, reinstate the stricken “or nonpartisan”

Page 4, line 17, reinstate the stricken “candidate”

Page 5, line 3, delete “*following*” and insert “*before*”

Page 5, line 4, delete “*primary*” and insert “*general election*”

Page 5, line 5, after “*death*” insert “*or catastrophic illness*”

Page 6, line 4, delete “*tenth day following the primary*” and insert “*16th day before the general election*”

Page 6, line 7, delete “*following the primary*” and insert “*before the general election*”

Page 6, lines 9, 25, and 32, after “*death*” insert “*or catastrophic illness*”

Page 6, line 13, after the period, insert “*If the vacancy in nomination occurs through the death of the candidate for governor, the new candidate for governor shall submit the name of the lieutenant governor candidate within seven days after the vacancy in nomination for governor is filled under section 204B.13, subdivision 2, but no later than four days before the general election.*”

Page 6, line 17, delete “*tenth*” and insert “*16th*” and delete “*following the primary*” and insert “*before the general*”

Page 6, line 24, delete “*tenth*” and insert “*14th*” and delete “*following*” and insert “*before*”

Page 6, line 25, delete “*primary*” and insert “*general*”

Page 6, line 26, delete “*tenth day following the primary*” and insert “*sixteenth day before the general*”

Page 6, line 33, delete the new language and insert “*16th day before the general*”

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 137, as amended pursuant to Rule 49, adopted by the Senate April 11, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 4.)

Page 4, after line 24, insert:

“Sec. 8. Minnesota Statutes 1990, section 204B.13, is amended by adding a subdivision to read:

*Subd. 1a. [PARTISAN OFFICE; PRIMARY CANDIDATE.] A vacancy in nomination in a partisan office shall be filled by the candidate who received the next highest number of votes at the primary for that office among candidates of that party, if that candidate received 25 percent or more of the total votes cast for that office in that party's primary. Within 48 hours after a vacancy in nomination occurs, the secretary of state shall certify to the party the name of the candidate who meets this requirement. If no candidate meets the requirement, the secretary of state shall so certify within 48 hours to the party, which shall fill the vacancy in nomination as provided under subdivision 2.”*

Page 4, line 27, before "A" insert "*If the secretary of state certifies that no candidate meets the requirement of subdivision 1a, or if the candidate selected under subdivision 1a declines to fill the vacancy in nomination, a vacancy in nomination for partisan office shall be filled as provided in this subdivision.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1179, which the committee recommends to pass with the following amendments offered by Ms. Johnston:

Amend H.F. No. 1179, as amended pursuant to Rule 49, adopted by the Senate April 22, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1124.)

Page 1, after line 25, insert:

"Sec. 2. [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 the first year of each biennium for review by the committees of each body that have jurisdiction over the metropolitan agencies."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for legislative review of metropolitan agency budgets;"

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 473"

The motion prevailed. So the amendment was adopted.

Ms. Johnston then moved to amend H.F. No. 1179, as amended pursuant to Rule 49, adopted by the Senate April 22, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1124.)

Page 2, after line 23, insert:

"Sec. 3. [EFFICIENCY REPORT.]

*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 the first year of each biennium on the level of staffing at the council in relationship to the duties and responsibilities of the council and how the level of staffing promotes efficiency and does not result in duplication of effort."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring the chair of the metropolitan council to report to the legislature;"

The motion prevailed. So the amendment was adopted.

S.F. No. 226, which the committee recommends to pass with the following amendment offered by Mr. Samuelson:

Page 20, line 10, delete "*budget*" and insert "*levy certified to the county*"

*auditor under section 275.07, subdivision 1,"*

The motion prevailed. So the amendment was adopted.

S.F. No. 460, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 1, after line 6, 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."

Page 2, after line 3, insert:

"Sec. 5. [REVISOR'S INSTRUCTION.]

*The revisor of statutes is directed to change the words "soldiers' welfare fund" where found in Minnesota Statutes, sections 196.05, 197.02, 197.03, 197.04, 197.05, 197.06, and 197.07, to the words "soldiers' assistance fund" in Minnesota Statutes 1992 and subsequent editions.*

Sec. 6. [EFFECTIVE DATE.]

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

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing the commissioner of veterans affairs to assist certain dependents of military personnel; clarifying the name of the state soldiers' welfare fund;"

Page 1, line 3, after the semicolon, insert "containing instructions to the revisor of statutes;"

Page 1, line 4, delete "section" and insert "sections 196.05; 197.03; and"

The motion prevailed. So the amendment was adopted.

S.F. No. 950, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 2, line 23, delete "\$100" and insert "\$1,000"

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.

**CALL OF THE SENATE**

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

**REPORTS OF COMMITTEES**

Mr. 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 re-referred

S.F. No. 937: 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.

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

Page 30, line 15, after "*shall*" insert "*begin to*"

Page 30, line 16, delete "*permanent*" and insert "*emergency*" and delete everything after "*this*" and insert "*article within 30 days, and may adopt permanent rules to implement this article. Emergency and permanent rules adopted to implement this article supersede any provisions adopted under the exemption from rulemaking requirements in this section.*"

Page 37, line 4, after "*is*" insert "*not*"

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mrs. Brataas moved that her name be stricken as a co-author to S.F. No. 539. The motion prevailed.



### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

H.F. No. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrrens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Spear
Bernhagen	Frederickson, D.J.	Langseth	Novak	Storm
Bertram	Frederickson, D.R.	Larson	Olson	Stumpf
Brataas	Gustafson	Lessard	Pappas	Traub
Chmielewski	Halberg	Luther	Pariseau	Vickerman
Cohen	Hottinger	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrrens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	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	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Price	
Cohen	Hottinger	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.08, subdivision 2; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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, J.B.	Merriam	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Knaak	Mondale	Sams
Benson, J.E.	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	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, J.E.	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	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	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	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

Messrs. Berg and Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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; 144.698, subdivision 1; 145.43, subdivision 1a; 153A.15, subdivision 4, and by adding a subdivision; 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; 145.35; and 153A.16.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Riveness
Beckman	Finn	Kroening	Novak	Sams
Berglin	Flynn	Lessard	Pappas	Samuelson
Chmielewski	Frank	Luther	Piper	Solon
Cohen	Frederickson, D.J.	Marty	Pogemiller	Spear
Dahl	Hottinger	Merriam	Price	Traub
Davis	Johnson, D.J.	Metzen	Ranum	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	Waldorf

Those who voted in the negative were:

Belanger	Brataas	Johnston	Mehrkens	Storm
Benson, D.D.	Day	Knaak	Morse	Stumpf
Benson, J.E.	Frederickson, D.R.	Laidig	Neuville	
Berg	Gustafson	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Bertram	Johnson, D.E.	McGowan	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 804: A bill for an act relating to corrections; requiring prisoners to pay for medical services to the extent of their ability to pay; requiring the county of residence to pay for medical services to juveniles in custody; providing for reimbursement of the costs of medical services by health insurance or a health plan; requiring county boards to pay for medical services for prisoners in jail; amending Minnesota Statutes 1990, section 641.15; proposing coding for new law in Minnesota Statutes, chapter 260.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	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	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	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.



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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
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	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	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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 facility with an addendum to its provider agreement to upgrade beds from boarding care beds to nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski      Davis      Kelly      Kroening      Stumpf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
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	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	Halberg	Marty	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

Mr. Lessard voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 859: A bill for an act relating to local improvements; providing authority for review of assessments for improvements; defining improvements; amending Minnesota Statutes 1990, section 430.102, subdivisions

3 and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R. D.	Renneke
Benson, J.E.	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	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	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	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	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	Solon
Berg	Flynn	Laidig	Neuville	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Hottinger	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	

Messrs. Kroening and Novak voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Morse	Sams
Beckman	Finn	Kroening	Novak	Samuelson
Berglin	Flynn	Langseth	Pappas	Solon
Bertram	Frank	Larson	Piper	Spear
Chmielewski	Frederickson, D.J.	Luther	Pogemiller	Stumpf
Cohen	Hottinger	Marty	Price	Traub
Dahl	Johnson, D.E.	Metzen	Ranum	Vickerman
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	Waldorf
DeCramer	Johnson, J.B.	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Brataas	Johnston	Mehrkens	Storm
Benson, D.D.	Day	Knaak	Neuville	
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	
Berg	Gustafson	Lessard	Pariseau	
Bernhagen	Halberg	McGowan	Renneke	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that H.F. No. 137, on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. 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. 147, 800, 84, 1128, 998 and H.F. Nos. 843, 173, which the committee recommends to pass.

H.F. No. 137, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.J.:

Amend H.F. No. 137, as amended pursuant to Rule 49, adopted by the Senate April 11, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 4.)

Page 7, after line 26, insert:

“Sec. 14. Minnesota Statutes 1990, section 308A.635, subdivision 6, is amended to read:

Subd. 6. [ABSENTEE BALLOTS.] (a) A member who is absent from a members' meeting may vote by mail on the ballot prescribed in this subdivision on any motion, resolution, or amendment that the board submits for vote by mail to the members.

(b) The ballot shall be in the form prescribed by the board and contain:

(1) the exact text of the proposed motion, resolution, or amendment to be acted on at the meeting; and

(2) spaces opposite the text of the motion, resolution, or amendment in which the member may indicate an affirmative or negative vote.

(c) The member shall express a choice by marking an “X” in the appropriate space on the ballot *and mail or deliver the ballot to the cooperative in a plain, sealed envelope inside another envelope bearing the member's name. The ballot must be signed by the member.*

(d) A properly executed ballot shall be accepted by the board and counted as the vote of the absent member at the meeting.”

Renumber the sections in sequence



Amend the title as follows:

Page 1, line 9, after the semicolon, insert "modifying requirements for absentee ballots;"

Page 1, line 14, delete "and"

Page 1, line 15, after the semicolon, insert "and 308A.635, subdivision 6;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1050, which the committee recommends to pass with the following amendment offered by Mr. Davis:

Page 1, line 14, before "The" insert "*Before requiring pasteurization, the commissioner shall provide a plan at least 60 days before the next inspection to the manufacturer to assist the manufacturer in meeting the processing and facility requirements.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 588, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Page 2, line 15, after "to" insert "*use the device to*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 476 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 476: 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.

Mr. Benson, D.D. moved to amend S.F. No. 476 as follows:

Page 21, line 6, delete "5.7" and insert "3.8"

Page 21, line 12, delete "15.6" and insert "10.4"

Page 21, line 22, delete "7.2" and insert "4.8"

The motion prevailed. So the amendment was adopted.

S.F. No. 476 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Dahl	Kelly	Merriam	Ranum
Benson, D.D.	DeCramer	Knaak	Moe, R.D.	Reichgott
Berglin	Dicklich	Langseth	Mondale	Renneke
Bernhagen	Flynn	Luther	Pappas	Spear
Bertram	Frederickson, D.R.	Marty	Piper	Storm
Brataas	Johnson, D.E.	McGowan	Pogemiller	Stumpf
Cohen	Johnson, D.J.	Mehrkens	Price	Traub

Those who voted in the negative were:

Adkins	Finn	Johnston	Morse	Sams
Beckman	Frank	Kroening	Neuville	Samuelson
Benson, J.E.	Frederickson, D.J.	Laidig	Novak	Solon
Berg	Gustafson	Larson	Olson	Vickerman
Davis	Hottinger	Lessard	Pariseau	Waldorf
Day	Johnson, J.B.	Metzen	Riveness	

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

Mr. Moe, R.D. moved that S.F. No. 476 be laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Knaak, Novak, Dicklich, Merriam and Larson introduced—

S.F. No. 1536: A bill for an act relating to game and fish; authorizing designation of trophy northern pike waters; repealing certain restrictions on winter fishing; amending Minnesota Statutes 1990, section 97C.011; repealing Minnesota Statutes 1990, section 97C.385.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak introduced—

S.F. No. 1537: A bill for an act relating to electric utilities; exempting the city of White Bear Lake from the electric service area boundaries set by statute.

Referred to the Committee on Energy and Public Utilities.

Mr. Knaak introduced—

S.F. No. 1538: A bill for an act relating to health; requiring registration for drug outlets; allowing the board of pharmacy to regulate over-the-counter drugs; amending Minnesota Statutes 1990, sections 151.01, by adding a subdivision; 151.19, by adding a subdivision; and 151.26.

Referred to the Committee on Health and Human Services.

### MEMBERS EXCUSED

Mr. Hughes was excused from the Session of today. Mr. Novak was excused from the Session of today from 8:30 to 9:45 a.m. Mr. Halberg was excused

from the Session of today from 1:30 to 2:50 p.m. Mr. Pogemiller was excused from the Session of today from 11:00 a.m. to 12:00 noon.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Monday, April 29, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**FORTY-SECOND DAY**

St. Paul, Minnesota, Monday, April 29, 1991

The Senate met at 8:30 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by Senator Pat Piper.

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	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.	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	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.

**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 480. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, 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 4, line 6, before the semicolon, insert "*and impacts on local drinking water*"

Page 4, line 26, after the period, insert "*If drinking water supplies are impacted, the commissioner, with the commissioners of natural resources and the pollution control agency, must examine the adverse human health concerns.*"

Page 10, line 9, delete "*but*" and insert "*to other authority granted to the agencies. To the greatest extent possible,*"

Page 10, line 12, delete "*to the greatest extent*"

Page 11, after line 25, insert:

"Sec. 11. 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. 12. 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."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "establishing a two percent sales tax on aquaculture production equipment;"

Page 1, line 13, delete "and" and after "5;" insert "297A.01, by adding a subdivision; and 297A.02, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. DeCramer from the Committee on Transportation, 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; proposing coding for new law as Minnesota Statutes, chapter 115E.

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

Delete everything after the enacting clause and insert:

"Section 1. [115E.01] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter. Terms that are not defined have the meanings given in the Oil Pollution Act of 1990.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" has the meaning given in section 18D.01, subdivision 3.*

*Subd. 3. [COMMISSIONERS.] "Commissioners" means the commissioner of public safety and*

*(1) the commissioner of agriculture, with respect to agricultural chemicals; or*

*(2) the commissioner of the pollution control agency, with respect to other hazardous substances and oil.*

*Subd. 4. [DISCHARGE.] "Discharge" means an intentional or unintentional emission, other than natural seepage, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping; and also includes release as defined in section 115B.02, subdivision 15.*

*Subd. 5. [FACILITY.] "Facility" means a structure, group of structures, equipment, or device, other than a vessel, that is used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil or a hazardous substance. Facility includes a motor vehicle, rolling stock, or pipeline used for one or more of these purposes. A facility may be in, on, or under land, or in, on, or under waters of the state as defined in section 115.01, subdivision 9.*

*Subd. 6. [HAZARDOUS SUBSTANCE.] "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.*

*Subd. 7. [LEAD AGENCY.] "Lead agency" means:*

*(1) the department of agriculture, with respect to agricultural chemicals; or*

*(2) the pollution control agency, for other hazardous substances or oil.*

*Subd. 8. [OIL.] "Oil" means oil of any kind or in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoils; and also includes petroleum as defined in section 115C.02, subdivision 10.*

*Subd. 9. [OIL POLLUTION ACT OF 1990.] "Oil Pollution Act of 1990" means the Oil Pollution Act of 1990, Statutes at Large, volume 104, pages 484 to 575.*

*Subd. 10. [PERSON.] "Person" has the meaning given in section 115B.02, subdivision 12.*

*Subd. 11. [RESPONSE.] "Response" has the meaning given in section 115B.02, subdivision 18, and the meaning of corrective action given in section 115C.02, subdivision 4. Response includes restoration, rehabilitation, replacement, or acquisition of the equivalent of the natural resources affected by the discharge of hazardous substances or oil.*

*Subd. 12. [VESSEL.] "Vessel" means a watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water. It includes a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue.*

*Subd. 13. [WORST CASE DISCHARGE.] "Worst case discharge" means:*

*(1) in the case of a vessel, sudden loss of the entire contents of the vessel in weather conditions that impede cleanup;*

*(2) for each tank of a storage tank facility, sudden loss of the entire contents of the tank in weather conditions that impede cleanup;*

*(3) in the case of railroad rolling stock facilities, sudden loss of the contents of the maximum expected number of the rail cars containing oil or hazardous substance of a train onto land or into water in weather conditions that impede cleanup;*

*(4) in the case of truck and trailer rolling stock facilities, sudden loss of the entire contents of the truck or trailer onto land or into water in weather conditions that impede cleanup;*

*(5) in the case of a pipeline facility, sudden loss of the contents of the pipeline which would be expected from complete failure of the pipeline onto land or into water in weather conditions that impede cleanup;*

*(6) in the case of oil or hazardous substance transfer facilities, sudden loss of the largest volume which could occur during transfer into or out of a facility; or*

*(7) the worst case discharge for the facility as described by regulations under the Oil Pollution Act of 1990 if the regulations, when adopted, describe a discharge worse than one described in clauses (1) to (6).*

**Sec. 2. [115E.02] [DUTY TO PREVENT DISCHARGES.]**

*A person who owns or operates a vessel or facility transporting, storing,*

*or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall take reasonable steps to prevent the discharge of those materials in a place or manner that might cause pollution of the land, waters, or air of the state or that might threaten the public's safety or health.*

**Sec. 3. [115E.03] [DUTY TO PREPARE FOR RESPONSE TO DISCHARGES.]**

*Subdivision 1. [GENERAL PREPAREDNESS.] A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall be prepared at all times to rapidly and thoroughly recover discharged hazardous substances or oil that were under that person's control and to take all other actions necessary to minimize or abate pollution of land, waters, and air of the state and to protect the public's safety and health.*

*Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 4:*

*(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;*

*(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota;*

*(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;*

*(4) persons who own or operate facilities containing 100,000 gallons or more of oil or hazardous substance in tank storage at any time;*

*(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;*

*(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and*

*(7) persons required to demonstrate preparedness under section 5.*

*Subd. 3. [LEVEL OF PREPAREDNESS.] A person described in subdivision 2 shall maintain a level of preparedness that ensures that effective response can reliably be made to worst case discharges.*

*Subd. 4. [DEMONSTRATION OF SATISFACTORY PREPAREDNESS.] A person required to maintain preparedness under subdivision 2 may demonstrate satisfactory preparedness to the commissioner of the lead agency through one or a combination of the following means:*

*(1) adequate response personnel and equipment in the usual employ of the person;*

*(2) adequate response personnel and equipment available from for-hire*



*cleanup contractors with arrangements made for their deployment;*

*(3) adequate response personnel and equipment from a response cooperative or community awareness and emergency response organization meeting guidelines prepared by the lead agency with arrangements made for their deployment; or*

*(4) adequate response personnel and equipment of local, state, or federal public sector response organizations with arrangements made for their deployment.*

*Subd. 5. [DEPARTMENT OF TRANSPORTATION.] The commissioner of transportation may examine the evidence of financial responsibility required under section 1016 of the Oil Pollution Act of 1990 for a vessel and may apply the sanctions in that section.*

**Sec. 4. [115E.04] [PREVENTION AND RESPONSE PLANS.]**

*Subdivision 1. [PLAN CONTENTS.] Persons required to show specific preparedness under section 3, subdivision 2, shall prepare and maintain a prevention and response plan for a worst case discharge. The plan must:*

*(1) describe how it is consistent with the requirements of the national or area contingency plans developed under the Oil Pollution Act of 1990;*

*(2) describe the measures taken to prevent discharges from occurring, including prevention of a worst case discharge, prevention of discharges of lesser magnitude, and prevention of discharges similar to those that have occurred from the vessel or facility during its history of operation;*

*(3) identify the individual or individuals having full authority to implement response actions, and those individuals' qualifications and titles;*

*(4) identify how communication and incident command relationships will be established between the individuals in command of a vessel or facility response and the following persons:*

*(i) individuals in the employ of the owner or operator of the vessel or facility who are responding to the discharge;*

*(ii) appropriate federal, state, and local officials; and*

*(iii) other persons providing emergency response equipment and personnel;*

*(5) describe the facility or vessel and identify the locations and characteristics of potential worst case discharges from the vessel or facility;*

*(6) identify the means under section 3, subdivision 4, that will be used to satisfy the requirement to have adequate equipment and personnel to respond to a worst case discharge;*

*(7) contain copies of contracts, correspondence, or other documents showing that adequate personnel and equipment as described in section 3, subdivision 4, will be available to respond to a worst case discharge;*

*(8) describe the actions that will be taken by the persons described in section 3, subdivision 4, in the event of a worst case discharge; and*

*(9) describe the training, equipment testing, periodic drills, and unannounced drills that will be used to ensure that the persons and equipment described in section 3, subdivision 4, are ready for response.*

*A plan submitted to the federal government under the Oil Pollution Act*

of 1990 or prepared under other law may be used to satisfy the requirements in clauses (1) to (9) provided that the information required by clauses (1) to (9) is included in the plan.

*Subd. 2. [TIMING.] A person required to be prepared under section 3 shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 5. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.*

*Subd. 3. [NOTIFICATION.] (a) The commissioner of public safety must be notified when any of the following takes place:*

- (1) submission of the plan to the federal government;*
- (2) granting of exemptions or extensions of time by the federal government for submission of the plan; or*
- (3) completion of the plan if submission to the federal government is not required.*

*(b) Notification under this subdivision must be on a form prescribed by the commissioner of public safety and must include:*

- (1) a description of the facility or vessel;*
- (2) a description of the activities involving oil or hazardous substances;*
- (3) a description of the types of materials being handled, including whether agricultural chemicals are involved; and*
- (4) other information required by the commissioner.*

*(c) The commissioner of public safety shall transmit a copy of the notification to the other commissioners as appropriate, depending on the types of materials involved.*

*Subd. 4. [REVIEW OF PREVENTION AND RESPONSE PLAN.] (a) A copy of the prevention and response plan must be submitted to any of the commissioners who request it and to an official of a political subdivision with appropriate jurisdiction upon the official's request, or the plan and equipment and material named in the plan may be examined upon the request of an authorized agent of a commissioner or official.*

*(b) Upon the request of one or more of the commissioners, a person shall demonstrate the adequacy of prevention and response plans and preparedness measures by conducting announced or unannounced drills, calling persons and organizations named in a prevention and response plan and verifying roles and capabilities, locating and testing response equipment, questioning response personnel, or other means that in the judgment of the requesting commissioner demonstrate preparedness. Before requesting an unannounced drill, the requesting commissioner shall notify the other commissioners that a drill will be requested and invite them to participate in or witness the drill. If an unannounced drill is conducted to the satisfaction of the commissioners, the person conducting the drill may not be required to conduct an additional unannounced drill in the same calendar year.*

**Sec. 5. [115E.05] ORDERS AND INJUNCTIONS; ENFORCEMENT.]**

*Subdivision 1. [AMENDMENT TO PLAN.] If one or more of the commissioners finds the prevention and response plans or preparedness measures of a person do not meet the requirements of this chapter, the commissioner or commissioners making the finding may by order require that reasonable amendments to the plan or reasonable additional preventive or preparedness measures be implemented in a timely fashion. If more than one commissioner makes the finding, the order must be a joint order.*

*Subd. 2. [COMPLIANCE.] If oil or a hazardous substance is discharged while it is under the control of a person identified in section 3, subdivision 2, any one of the commissioners may by order require the person to comply with the prevention and response plan requirements of sections 3 and 4 in a timely manner if:*

- (1) land, water, or air of the state is polluted or threatened; or*
- (2) human life, safety, health, natural resources, or property is damaged or threatened.*

*Subd. 3. [ADMINISTRATIVE PENALTY ORDER.] In addition to the authority of the commissioner of the pollution control agency under other law, the commissioner may issue an order that requires violations to be corrected and that administratively assesses monetary penalties for violations under this chapter or section 115.061 and violations of rules adopted by the pollution control agency under sections 115.03, subdivision 1, paragraph (e), clause (3), and 116.49. The order must be issued as provided in section 116.072, subdivisions 2 to 11.*

*Subd. 4. [FINANCIAL ASSURANCE FOR RESPONSE.] The commissioner of the pollution control agency, the department of natural resources, or the department of agriculture may issue an order under this subdivision if the commissioner determines that adequate response is not being made or that other circumstances exist which indicate adequate response will not continue. When ordered by the commissioner of the pollution control agency, the commissioner of natural resources, or the commissioner of agriculture, the owner or operator of a vessel or facility responsible for the discharge of a hazardous substance or oil shall provide financial assurance acceptable to the ordering commissioner. The financial assurance must be in the amount necessary to cover the reasonable response costs, as determined within one year after discharge by the ordering commissioner, of any additional response that is determined to be reasonable and necessary under applicable laws and regulations. This subdivision may be enforced by the ordering commissioner under section 115.071. An order issued under this subdivision shall cease to be effective upon completion of a response in accordance with applicable laws and regulations.*

*Subd. 5. [OTHER ENFORCEMENT POWERS.] For the purposes of enforcing this chapter, the commissioner of the pollution control agency may exercise the regulatory and enforcement powers in chapters 115 and 116 and the commissioner of the department of agriculture may exercise the regulatory and enforcement powers in chapters 18B, 18C, and 18D.*

**Sec. 6. [115E.06] [GOOD SAMARITAN.]**

*(a) A person listed in this paragraph who is rendering assistance in response to a discharge of a hazardous substance or oil is not liable for response costs that result from actions taken or failed to be taken in the course of the assistance unless the person is grossly negligent or engages in willful misconduct:*

(1) a member of a cooperative or community awareness and emergency response group in compliance with standards in rules adopted by the pollution control agency;

(2) an employee or official of the political subdivision where the response takes place, or a political subdivision that has a mutual aid agreement with that subdivision;

(3) a member or political subdivision sponsor of a hazardous materials incident response team or special chemical assessment team designated by the commissioner of the department of public safety;

(4) a person carrying out the directions of: (i) the commissioner of the pollution control agency, the commissioner of agriculture, the commissioner of natural resources, or the commissioner of public safety; or (ii) the United States Coast Guard or Environmental Protection Agency on-scene coordinator consistent with a national contingency plan under the Oil Pollution Act of 1990; and

(5) a for-hire response contractor.

(b) This section does not exempt from liability responsible persons with respect to the discharge under chapter 115B or 115C or responsible parties with respect to the discharge under chapter 18B or 18D.

Sec. 7. [115E.07] [COOPERATION BETWEEN PRIVATE AND PUBLIC RESPONDERS.]

Political subdivisions and state agencies may arrange with persons to provide resources of state and local government so that the persons may comply with section 3, subdivision 4.

Sec. 8. [115E.08] [COORDINATION.]

Subdivision 1. [APPOINTMENT.] The commissioner of public safety shall coordinate state agency preparedness for response to discharges of oil or hazardous substances.

Subd. 2. [DUTIES.] The commissioner of public safety shall at least annually assess the preparedness of each state agency for carrying out its responsibilities under sections 1 to 10 and shall chair regular meetings of representatives of each agency to prepare for coordinated response. The commissioner shall develop an incident command system for use by state agency responders in consultation with the affected state agencies. Following each major incident, the commissioner shall review the performance of each responding agency and the adequacy of the overall response and shall report to the agencies involved and the governor. The commissioner shall also identify opportunities for state agencies to coordinate with federal departments and agencies and political subdivisions of the state for preparedness and response actions.

Subd. 3. [JURISDICTION.] Except as otherwise provided, the following agencies have primary responsibility for the specified areas in carrying out the duties and authorities of this chapter:

(1) the department of agriculture, for agricultural chemicals;

(2) the department of public safety, for public safety and protection of property;

(3) the department of natural resources, for assessment and rehabilitation of water resources; and

(4) the pollution control agency, for all other matters subject to this chapter.

*Subd. 4. [ANNUAL REPORT.] The commissioner shall annually report to the appropriate committees of the legislature on the readiness of state government to respond appropriately to discharges of oil or hazardous substances.*

**Sec. 9. [115E.09] [SINGLE ANSWERING POINT SYSTEM.]**

*The commissioner of public safety shall establish a single answering point system for use by persons responsible for reporting emergency incidents and conditions involving hazardous substances or oil to agencies of the state. The single answering point system must include personnel on duty 24 hours a day and equipment adequate to support communication to and from the parties responsible for an incident and all state agencies responsible for state response to the incident. The persons at the answering point must be trained in the jurisdictions, responsibilities, and capabilities of each state agency and basic hazardous substance hazard recognition and response procedures. All state agencies shall cooperate with the commissioner by including the single answering point system telephone number in files, permits, correspondence, and similar written material, and by appointing staff to coordinate the receipt of reports with the staff of the single answering point system.*

**Sec. 10. [REPORTS.]**

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in this subdivision have the meanings given them.*

*(b) "Discharge" has the meaning given in section 1, subdivision 4.*

*(c) "Response" has the meaning given in section 1, subdivision 11.*

*Subd. 2. [COMMUNICATION REVIEW; REPORT.] The commissioners of public safety, transportation, natural resources, agriculture, military affairs, the pollution control agency, and other state agencies shall review the adequacy of existing radio, telephone, and other communications between local, state, federal, private, and other responders to discharges of oil or hazardous substances. The commissioners shall consult with representatives of the emergency management and public safety agencies of political subdivisions. The commissioners shall jointly report to the legislature by January 1, 1992, on the current abilities of public safety, environmental, health, and cleanup personnel to communicate, and may prepare recommendations for improving communications including designation of statewide radio frequencies for emergency use.*

*Subd. 3. [RESPONSE REVIEW; REPORT.] The commissioner of the pollution control agency, in consultation with public and private responders, shall review state practices for response and follow-up to discharges and shall report to the legislature by January 1, 1992. The report must include:*

*(1) recommendations on preparing, training, and directing state, local, and private responders;*

*(2) evaluation of and recommendations on procedures for oversight of responses to pipeline and tank discharges, including discharges occurring before the effective date of this section;*

*(3) evaluation of the adequacy of resources and authorities for response oversight;*

*(4) review of procedures and policies for ordering financial assurance under section 5, subdivision 4; and*

*(5) recommendations on the need for amendments to liability provisions in existing law relating to discharges.*

**Sec. 11. [FUNDS; TRAINING.]**

*The commissioners of public safety, the pollution control agency, natural resources, agriculture, and 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 public safety may accept gifts for the purpose of ensuring adequate training of state agency and political subdivision personnel.*

**Sec. 12. [EFFECTIVE DATE.]**

*Section 5, subdivision 4, is effective the day following final enactment and applies to discharges of hazardous substances or oil on or after March 1, 1991."*

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

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

S.F. No. 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:

Delete everything after the enacting clause and insert:

**"ARTICLE I**

**REVISED CHILD SUPPORT GUIDELINES**

Section 1. Minnesota Statutes 1990, section 518.551, subdivision 5, is amended to read:

**Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.]** (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support ~~agreement~~ *stipulation* of the parties if each party is represented by independent counsel, unless the ~~agreement is not in the interest of justice~~ *stipulation does not meet the conditions of paragraph (h).*

In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4,000.

Net Income defined as:

Total monthly  
income less

- \*(i) Federal Income Tax
- \*(ii) State Income Tax
- (iii) Social Security  
Deductions
- (iv) Reasonable  
Pension Deductions

\*Standard  
Deductions apply-  
use of tax tables  
recommended

- (v) Union Dues
- (vi) Cost of Dependent Health  
Insurance Coverage
- (vii) Cost of Individual or Group  
Health/Hospitalization  
Coverage or an  
Amount for Actual  
Medical Expenses
- (viii) A Child Support or  
Maintenance Order that is  
Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses;

or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

~~(a)~~ (i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

~~(b)~~ (ii) the party demonstrates, and the court finds, that:

~~(i)~~ (A) the excess employment began after the filing of the petition for dissolution;

~~(ii)~~ (B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

~~(iii)~~ (C) the excess employment is voluntary and not a condition of employment;

~~(iv)~~ (D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

~~(v)~~ (E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (a), clause (2)~~(b)~~ (ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until



the debt will be fully paid.

(d) Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(f) Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(g) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

~~(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.~~ (h) *The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.*

Sec. 2. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

*Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely serve and file documentation of income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of income includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of income over a longer period.*

*(b) If a parent under the jurisdiction of the court does not appear at a court hearing after proper notice of the time and place of the hearing, the court shall set income for that parent based on credible evidence before the court or in accordance with paragraph (c). Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent income levels, and the parent's wage reports filed with*

*the Minnesota department of jobs and training under section 268.121.*

*(c) If the court finds that a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of imputed income. A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that the parent has made a good faith effort to seek suitable employment or that the unemployment or underemployment is: (1) temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications. If the court is unable to determine or estimate the earning ability of a parent, the court may calculate child support based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum wage, whichever is higher. If a parent is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.*

Sec. 3. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

*Subd. 5c. [CHILD SUPPORT GUIDELINES TO BE REVIEWED EVERY FOUR YEARS.] No later than 1994 and every four years after that, the department of human services shall conduct a review of the child support guidelines.*

Sec. 4. Minnesota Statutes 1990, section 518.64, is amended to read:

518.64 [MODIFICATION OF ORDERS OR DECREES.]

Subdivision 1. After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on ~~petition~~ motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on ~~petition~~ motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided.

Subd. 2. [MODIFICATION.] (a) The terms of a ~~decree~~ *an order* respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party *or the child or children that are the subject of these proceedings*; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair.

*The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order. If the current support order represents a deviation from the guidelines which is supported*

*by written findings giving the reasons for the deviation, and the reasons given continue to apply to the current circumstances of the parties, then the current support order will only be presumed to be unreasonable and unfair if the application of the guidelines to the current circumstances of the parties results in a calculation that is at least 20 percent and at least \$50 per month higher or lower than the amount that would have been calculated had guidelines been applied at the time the current support order was established.*

(b) On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

~~(1) shall take into consideration the needs of the children apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and~~

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability ~~or~~, a material misrepresentation of another party, *or fraud upon the court* and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Subd. 3. Unless otherwise agreed in writing or expressly provided in the decree, the obligation to pay future maintenance is terminated upon the death of either party or the remarriage of the party receiving maintenance.

Subd. 4. Unless otherwise agreed in writing or expressly provided in the ~~decree~~ order, provisions for the support of a child are terminated by emancipation of the child but not by the death of a parent obligated to support the child. When a parent obligated to pay support dies, the amount of support may be modified, revoked, or commuted to a lump sum payment, to the extent just and appropriate in the circumstances.

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order ~~pursuant to this section or section 256.87 for support or maintenance~~. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 6. [EXPEDITED PROCEDURE.] (a) *The public authority may seek a modification of the child support order in accordance with the rules of civil procedure or under the expedited procedures in this subdivision.*

(b) *The public authority may serve the following documents upon the obligor either by certified mail or in the manner provided for service of a summons under the rules of civil procedure:*

(i) *a notice of its application for modification of the obligor's support order stating the amount and effective date of the proposed modification which date shall be no sooner than 30 days from the date of service;*

(ii) *an affidavit setting out the basis for the modification under subdivision 2, including evidence of the current income of the parties;*

(iii) *any other documents the public authority intends to file with the court in support of the modification;*

(iv) *the proposed order;*

(v) *notice to the obligor that if the obligor fails to move the court and request a hearing on the issue of modification of the support order within 30 days of service of the notice of application for modification, the public authority will likely obtain an order, ex parte, modifying the support order; and*

(vi) *an explanation to the obligor of how a hearing can be requested, together with a motion for review form that the obligor can complete and file with the court to request a hearing.*

(c) *If the obligor moves the court for a hearing, any modification must be stayed until the court has had the opportunity to determine the issue. Any modification ordered by the court is effective on the date set out in the notice of application for modification, but no earlier than 30 days following the date the obligor was served.*

(d) *If the obligor fails to move the court for hearing within 30 days of service of the notice, the public authority shall file with the court a copy of the notice served on the obligor as well as all documents served on the obligor, proof of service, and a proposed order modifying support.*

(e) *If, following judicial review, the court determines that the procedures*

*provided for in this subdivision have been followed and the requested modification is appropriate, the order shall be signed ex parte and entered.*

*(f) Failure of the court to enter an order under this subdivision does not prejudice the right of the public authority or either party to seek modification in accordance with the rules of civil procedure.*

*(g) The supreme court shall develop standard forms for the notice of application of modification of the support order, the supporting affidavit, the obligor's responsive motion, and proposed order granting the modification.*

## ARTICLE 2

### CHILD SUPPORT ENFORCEMENT

#### Section 1. [214.101] [CHILD SUPPORT; SUSPENSION OF LICENSE.]

*Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] If a licensing board receives an order from a court under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court to be in arrears in child support payments, the board shall, within 30 days of receipt of the court order, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments.*

*Subd. 2. [PROBATION.] If the board determines that the suspension of the license would create an extreme hardship to either the licensee or to persons whom the licensee serves, the board may, in lieu of suspension, allow the licensee to continue to practice the occupation on probation. Probation must be conditioned upon full compliance with the court order that referred the matter to the board. The probation period may not exceed two years, and the terms of probation must provide for automatic suspension of the license if the licensee does not provide monthly proof to the board of full compliance with the court order that referred the matter to the board or a further court order if the original order is modified by the court.*

*Subd. 3. [REVOCATION OR REINSTATEMENT OF PROBATION.] If the licensee has a modification petition pending before the court, the board may, without a hearing, defer a revocation of probation and institution of suspension until receipt of the court's ruling on the modification order. A licensee who was placed on probation and then automatically suspended may be automatically reinstated upon providing proof to the board that the licensee is currently in compliance with the court order.*

*Subd. 4. [VERIFICATION OF PAYMENTS.] Before a board may terminate probation, remove a suspension, issue, or renew a license of a person who has been suspended or placed on probation under this section, it shall contact the court that referred the matter to the board to determine that the applicant is not in arrears for child support. The board may not issue or*

*renew a license until the applicant proves to the board's satisfaction that the applicant is current in support payments.*

*Subd. 5. [APPLICATION.] This section applies to support obligations ordered by any state, territory, or district of the United States.*

Sec. 2. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

*Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 and the obligor is in arrears in court-ordered child support payments, the court may direct the licensing board to conduct a hearing under section 1 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.*

Sec. 3. [EFFECTIVE DATE.]

*This article is effective May 1, 1992.*

### ARTICLE 3

#### DETERMINATION OF PATERNITY AMENDMENTS

Section 1. Minnesota Statutes 1990, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) ~~or~~, (e), or (f), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision; ~~or~~

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e) only if the action is brought within three years after the date of the execution of the declaration; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

### ARTICLE 4

#### REVENUE RECAPTURE AMENDMENTS

Section 1. Minnesota Statutes 1990, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall be submitted by the

agency for collection under the procedure established by sections 270A.01 to 270A.12 unless (a) an alternative means of collection is pending and the debtor is complying with the terms of alternative means of collection, *except that this limitation does not apply to debts owed resulting from a default in payment of child support or maintenance*, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) the debt is barred by section 541.05.

Sec. 2. Minnesota Statutes 1990, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred and, further, shall advise the debtor of the claimant agency's intention to request setoff of the refund against the debt.

(b) The notice will also advise the debtor that any debt incurred more than six years from the date of the notice to the commissioner under section 270A.07, *except for debts owed resulting from a default in payment of child support or maintenance*, must not be setoff against a refund and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice or of the corrected notice, as required by subdivision 1. If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits."

Delete the title and insert:

"A bill for an act relating to human services; providing for clarification and changes in law relating to child support enforcement; authorizing suspension of an occupational license; amending Minnesota Statutes 1990, sections 257.57, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; and 518.64; proposing coding for new law in Minnesota Statutes, chapter 214."

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

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

S.F. No. 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 6, line 25, delete the second "and"

Page 7, line 1, before the period, insert "; and

*(10) incorporate practice standards developed by the health care analysis unit under article 4, section 1, into the administration of the Minnesotans' health care plan and specifications for contracts with health plans and providers for coverage and services to enrollees"*

Page 12, line 19, after the period, insert "*The transfers must not limit the scope of collective bargaining concerning health benefits, or require community rating of employee health benefits except as specified in article 6 for employers of a certain size.*"

Page 12, line 31, before "If" insert "*The commissioner shall submit proposed legislation to the legislature by January 1, 1994, concerning the transfer of responsibilities and functions of state employee health benefits programs. In preparing this legislation the commissioner shall consult with, and obtain the agreement of, the commissioner of employee relations and the joint labor-management committee on health plans.*"

Page 13, line 14, delete "state and"

Page 41, line 18, delete "and"

Page 41, line 20, before the period, insert "; and

*(10) develop outcome-based practice standards as required under section 6"*

Page 42, line 31, after "patients" insert "*who have consented to the data request"*

Page 42, line 34, before "The" insert "*For purposes of this section,*" and delete "may" and insert "shall"

Page 43, delete lines 2 to 10 and insert:

*"Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.45 that identify individuals are private data on individuals. Data not on individuals are nonpublic data, but the commissioner may release the data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the bureau of health care access; and individuals purchasing health care services for health plan companies and groups. Prior to releasing any nonpublic data under this paragraph that identify or relate to a specific health plan, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data.*

*(b) Data collected through the survey research initiatives of the health care analysis unit required by section 62J.47 are public data under section 13.03, except that any patient or enrollee identifying information is private*



data.

(c) *Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.*"

Page 44, after line 5, insert:

**"Sec. 3. [62J.451] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]**

*Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing medical practice parameters and newly researched medical practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may also use the data collected to develop new practice parameters or refine existing practice parameters, in cooperation with the affected provider groups, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.*

*Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing medical practitioners in the state with information about practice parameters and medical practice style. The unit shall disseminate medical parameters for specific medical conditions, and the research findings on which these parameters are based, to all medical practitioners in the state who diagnose or treat the medical condition.*

*Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate."*

Page 45, after line 7, insert:

**"Sec. 6. [62J.481] [OUTCOME-BASED PRACTICE STANDARDS.]**

*The health care analysis unit shall develop, revise, and disseminate practice guidelines and standards that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. Among other appropriate activities relating to the development of practice guidelines, the health care analysis unit shall:*

*(1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data; and*

*(2) conduct studies and research on the following subjects:*

*(i) new and revised practice guidelines to be used in connection with the Minnesotans' health care plan and other settings;*

*(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;*

*(iii) the relative satisfaction of participants with their care, determined*

with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the Minnesotans' health care plan and other settings."

Page 45, line 20, delete "6" and insert "8"

Renumber the sections of article 4 in sequence

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

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

S.F. No. 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.

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 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, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to

(j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, and 5; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 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. 2. Minnesota Statutes 1990, section 609.5314, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE FORFEITURE PROCEDURE.] (a) Forfeiture of property described in subdivision 1 is governed by this subdivision. When seizure occurs, or within a reasonable time after that, all persons known to have an ownership or possessory interest in seized property must be notified of the seizure and the intent to forfeit the property. In the case of a motor vehicle required to be registered under chapter 168, notice mailed by certified mail to the address shown in department of public safety records is deemed sufficient notice to the registered owner.

(b) Notice may otherwise be given in the manner provided by law for service of a summons in a civil action. The notice must be in writing and contain:

- (1) a description of the property seized;
- (2) the date of seizure;
- (3) notice of the right to obtain judicial review of the forfeiture; and

(4) notice of the procedure for obtaining *that* judicial review of the forfeiture, printed in English, Hmong, and Spanish. Substantially the following language must appear conspicuously: "IF YOU DO NOT DEMAND JUDICIAL REVIEW EXACTLY AS PRESCRIBED IN MINNESOTA STATUTES, SECTION 609.5314, SUBDIVISION 3, YOU LOSE THE RIGHT TO A JUDICIAL DETERMINATION OF THIS FORFEITURE AND YOU LOSE ANY RIGHT YOU MAY HAVE TO THE ABOVE DESCRIBED PROPERTY.""

Page 1, line 20, before the period, insert "*if the value of the seized property is less than \$500*"

Page 2, after line 11, insert:

*"(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order the payment of reasonable costs, expenses, and attorney fees under section 549.21, subdivision 2. If the court orders a payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.*

Sec. 4. Minnesota Statutes 1990, section 611.31, is amended to read:

611.31 [HANDICAPPED PERSON.]

For the purposes of sections 611.30 to 611.34, "person handicapped in

communication” means a person who: (a) because of a hearing, speech or other communication disorder, or (b) because of difficulty in speaking or comprehending the English language, cannot fully understand the proceedings or any charges made against the person, *or the seizure of the person's property*, or is incapable of presenting or assisting in the presentation of a defense.”

Page 2, line 36, delete “*arresting*” and insert “*seizing*”

Page 3, line 1, after “*shall*” insert “, *upon request,*”

Page 3, line 5, after the period, insert “*If the seizure is governed by section 609.5314, subdivision 2, a request for an interpreter must be made within 15 days after service of the notice of seizure and forfeiture.*” and delete “*entitled to*” and insert “*who requests*”

Page 3, line 6, before the comma, insert “*under section 609.5314*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “sections” insert “609.531, subdivision 1;”

Page 1, line 7, delete “subdivision 3” and insert “subdivisions 2 and 3” and after the semicolon, insert “611.31;”

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. 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.

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. 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 116J.984, subdivisions 1 and 5; 273.124, by adding a subdivision; 462A.02, by adding a subdivision; 462A.03, by adding a subdivision; 462A.201, subdivision 2; 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:

Page 2, line 33, before “BYLAWS” insert “ARTICLES OR” and before “*bylaws*” insert “*articles or*”

Page 3, line 1, before the semicolon, insert “, *subject to clause (2)*”

Page 3, line 4, delete “, *as specified in the bylaws*”

Page 3, line 7, before the semicolon, insert “*and remaining members of the board, if any, may be elected or appointed by the board*”

Page 3, line 11, delete "membership" and insert "members" and after the semicolon, insert "and"

Page 3, delete lines 12 to 14

Page 3, line 15, delete "(6)" and insert "(5)"

Page 3, line 16, after "a" insert "specified" and delete "specified in the bylaws"

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. 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.

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

Page 1, line 14, strike everything after "of" and insert "a violation of this"

Page 1, line 15, strike "169.126, subdivision 1"

Page 1, line 16, strike "\$75" and insert "\$76" and delete "For"

Page 1, line 19, delete "it" and delete "impose a chemical dependency" and insert "pay an additional surcharge of \$5"

Page 1, line 20, delete everything before the period

Page 3, line 18, before "\$ . . . . ." insert "(a)"

Page 3, after line 20, insert:

*"(b) \$ . . . . . is appropriated to the University of Minnesota law school to fund an interdisciplinary criminal justice system DWI task force. The task force shall evaluate DWI laws, enforcement procedures, and court practices and shall advise the legislature, the courts, law enforcement agencies, and prosecutors regarding improvement of DWI laws and their implementation and enforcement."*

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

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

S.F. No. 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, 6, 10, and 11; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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

Page 1, line 14, delete "*A provision*" and insert "*Provisions*"

Page 1, line 15, delete "*that may be enforced*" and insert "*enforceable*"

Page 1, line 19, delete "*material*" and insert "*materially*"

Page 2, after line 28, insert:

*"Subd. 2. [PERMIT APPLICANT.] For purposes of this section, a permit applicant includes a natural person, a partnership and its owners, and a corporation and its parent."*

Re-number the subdivisions in sequence

Page 3, line 1, delete the period and insert "*regarding the circumstances surrounding the conviction, corrective measures to prevent recurrence, the applicant's rehabilitation, and technical and managerial experience. In making a final decision on the permit.*"

Page 3, line 2, delete everything after "*the*" and insert "*circumstances surrounding the conviction, the applicant's cooperation in any investigations, changes in personnel since the time of conviction, and the actions taken by the applicant to prevent recurrence.*"

Page 3, delete line 3

Page 3, line 23, delete "*promulgated*" and insert "*adopted*"

Page 6, line 12, after "*seek*" insert "*civil*"

Page 6, line 27, after "*commissioner*" insert "*of the pollution control agency*"

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

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.

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

Page 1, line 14, after "*offender*" insert "*on request of the agency*"

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. 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.

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 464, 502 and 858 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 825 was read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Lessard moved that the name of Mr. Morse be added as a co-author to S.F. No. 266. The motion prevailed.

Ms. Pappas moved that the name of Mr. Marty be added as a co-author to S.F. No. 768. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 918 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knaak	Metzen	Samuelson
Beckman	DeCramer	Kroening	Moe, R.D.	Spear
Belanger	Finn	Laidig	Morse	Storm
Benson, D.D.	Flynn	Langseth	Neuville	Stumpf
Benson, J.E.	Frank	Larson	Pappas	Traub
Berg	Frederickson, D.J.	Lessard	Pariseau	Vickerman
Bernhagen	Hottinger	Luther	Piper	Waldorf
Brataas	Johnson, D.E.	Marty	Pogemiller	
Chmielewski	Johnson, D.J.	McGowan	Price	
Cohen	Johnston	Mehrkens	Ranum	
Dahl	Kelly	Merriam	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 505 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 505: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Washington county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knaak	Metzen	Samuelson
Beckman	DeCramer	Kroening	Moe, R.D.	Spear
Belanger	Finn	Laidig	Morse	Storm
Benson, D.D.	Flynn	Langseth	Neuville	Stumpf
Benson, J.E.	Frank	Larson	Pappas	Traub
Berg	Gustafson	Lessard	Pariseau	Vickerman
Bernhagen	Hottinger	Luther	Piper	Waldorf
Brataas	Johnson, D.E.	Marty	Pogemiller	
Chmielewski	Johnson, D.J.	McGowan	Price	
Cohen	Johnston	Mehrkens	Ranum	
Dahl	Kelly	Merriam	Rivness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1122 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnston	Mehrkens	Renneke
Beckman	DeCramer	Kelly	Metzen	Rivness
Belanger	Finn	Knaak	Moe, R.D.	Samuelson
Benson, D.D.	Flynn	Kroening	Morse	Spear
Benson, J.E.	Frank	Laidig	Neuville	Storm
Berg	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Marty	Price	
Cohen	Johnson, D.J.	McGowan	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1216 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1216: A bill for an act relating to state lands; 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; transferring state land by private sale to the town board of the town of Lake in Roseau county; 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.

Mr. Merriam moved to amend S.F. No. 1216 as follows:

Page 4, line 4, delete "*for the purposes*" and insert "*as*"

Page 4, line 5, delete "*paragraph (d)*" and insert "*paragraphs (d) and (e)*"



Page 4, after line 12, insert:

*“(e) Before undertaking any activities on the land, the town shall consult with the commissioner of natural resources regarding the town's specific plans for the use of the land. The plans must provide for the preservation of existing trees on the land to the maximum extent consistent with the uses described in paragraph (d).”*

The motion prevailed. So the amendment was adopted.

S.F. No. 1216 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 355 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1399 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Was read the third time 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	Day	Johnston	Metzen	Ranum
Beckman	DeCramer	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	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Storm
Bertram	Gustafson	Lessard	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Price	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1318 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1160 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Was read the third time 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	DeCramer	Kelly	Mondale	Sams
Beckman	Finn	Knaak	Morse	Samuelson
Belanger	Flynn	Kroening	Neuville	Spear
Benson, D.D.	Frank	Laidig	Novak	Storm
Benson, J.E.	Frederickson, D.J.	Langseth	Pappas	Stumpf
Berg	Frederickson, D.R.	Larson	Pariseau	Traub
Bernhagen	Gustafson	Lessard	Piper	Vickerman
Bertram	Halberg	Luther	Pogemiller	Waldorf
Chmielewski	Hottinger	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Renneke	
Day	Johnston	Metzen	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 620 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 620: A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 248 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1020 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

S.F. No. 1020 was read the third time.

Mr. Kelly moved that S.F. No. 1020 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 274 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

Was read the third time 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	Day	Kroening	Morse	Riveness
Beckman	Finn	Laidig	Neuville	Sams
Belanger	Flynn	Langseth	Novak	Samuelson
Benson, D.D.	Frank	Larson	Olson	Spear
Benson, J.E.	Frederickson, D.J.	Lessard	Pappas	Storm
Berg	Gustafson	Luther	Pariseau	Stumpf
Berglin	Halberg	Marty	Piper	Traub
Bernhagen	Hottinger	McGowan	Pogemiller	Vickerman
Bertram	Johnson, D.E.	Mehrkens	Price	
Chmielewski	Johnson, D.J.	Merriam	Ranum	
Cohen	Johnston	Metzen	Reichgott	
Dahl	Knaak	Mondale	Renneke	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 83 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 83: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands bordering public water in Clay and Cottonwood counties.

Mr. Vickerman moved to amend S.F. No. 83 as follows:

Page 2, after line 13, insert:

“(3) *Quivli Subdivision*

*City of Windom*

*Lot 11”*

The motion prevailed. So the amendment was adopted.

S.F. No. 83 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 880 a Special Order to be heard immediately.

### SPECIAL ORDER

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; 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 and 7.

Mr. Spear moved to amend S.F. No. 880 as follows:

Page 1, after line 18, insert:

“Section 1. Minnesota Statutes 1990, section 48.512, subdivision 3, is amended to read:

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). *Inquiries made to verify this information through persons in the business of providing such information must include an inquiry based on the applicant's identification number provided under subdivision 2, clause (g).* The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without consent because of issuance by the applicant of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.”

Page 1, line 25, after the period, insert “*If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on*

*that card through the records of the department of public safety. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact."*

Page 1, line 31, delete the new language

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 880 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Merriam, Metzen and Waldorf voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1295 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1295: A bill for an act relating to Ramsey county; creating a Ramsey county local services study commission; setting its duties.

Was read the third time 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	DeCramer	Johnston	Merriam	Ranum
Beckman	Dicklich	Kelly	Metzen	Renneke
Belanger	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	Hottinger	Luther	Pariseau	Stumpf
Cohen	Johnson, D.E.	Marty	Piper	Traub
Dahl	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Day	Johnson, J.B.	Mehrrens	Price	Waldorf

So the bill passed and its title was agreed to.

### RECONSIDERATION

Mr. Stumpf moved that the vote whereby S.F. No. 1216 was passed by the Senate on April 29, 1991, be now reconsidered. The motion prevailed.

S.F. No. 1216: A bill for an act relating to state lands; 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; transferring state land by private sale to the town board of the town of Lake in Roseau county; 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.

Mr. Stumpf moved to amend S.F. No. 1216 as follows:

Page 3, lines 33 and 34, delete "*sections 94.09 to 94.16*" and insert "*chapters 84A, 94, and 282*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1216 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	DeCramer	Johnson, J.B.	Merriam	Renneke
Beckman	Dicklich	Johnston	Metzen	Riveness
Belanger	Finn	Knaak	Mondale	Sams
Benson, J.E.	Flynn	Kroening	Morse	Samuelson
Berg	Frank	Laidig	Neuville	Solon
Berglin	Frederickson, D.J.	Langseth	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Storm
Bertram	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Day	Johnson, D.J.	Mehrrens	Ranum	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 240 a Special Order to be heard immediately.



**SPECIAL ORDER**

S.F. No. 240: A bill for an act relating to counties; providing for the contents and public availability of the county financial statement; clarifying certain publication and notice requirements; amending Minnesota Statutes 1990, sections 279.09; 281.13; and 375.17.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Metzen	Riveness
Beckman	Finn	Knaak	Mondale	Sams
Belanger	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	Gustafson	Lessard	Pappas	Stumpf
Bertram	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Day	Johnson, J.B.	Merriam	Renneke	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 406 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

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

So the bill passed and its title was agreed to.

## CALENDAR

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Gustafson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 422: 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.

Was read the third time 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	Metzen	Renneke
Beckman	Dicklich	Kelly	Moe, R.D.	Riveness
Belanger	Finn	Knaak	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
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	Johnson, D.E.	McGowan	Price	
Cohen	Johnson, D.J.	Mehrkens	Ranum	
Day	Johnson, J.B.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 724: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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	Price	Waldorf
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	

Messrs. Davis and Pogemiller voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1179: A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 385: A bill for an act relating to metropolitan government; encouraging geographic balance on the metropolitan council; providing for senate confirmation of the chair of the metropolitan airports commission; amending Minnesota Statutes 1990, sections 473.123, subdivision 3; and 473.604, 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	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
Brataas	Halberg	Luther	Pariseau	Stumpf
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Johnston	Moe, R. D.	Renneke
Beckman	Day	Kelly	Mondale	Riveness
Belanger	DeCramer	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
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1027: A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Ranum
Beckman	Day	Johnston	Metzen	Reichgott
Belanger	DeCramer	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	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	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

Mr. Halberg voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	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
Berg	Frank	Larson	Olson	Spear
Berglin	Frederickson, D.J.	Lessard	Pappas	Storm
Bernhagen	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	Johnson, J.B.	Metzen	Reichgott	

Messrs. Bertram, Halberg and Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Day	Finn	Halberg	Stumpf
Davis				

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Ranum
Beckman	Day	Johnston	Metzen	Reichgott
Belanger	DeCramer	Kelly	Moe, R. D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	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	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

Mr. Halberg voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 593: A bill for an act relating to railroads; authorizing reimbursement by landowners for certain costs; requiring access over railroad right-of-way to adjoining properties; amending Minnesota Statutes 1990, section 219.35.

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 64 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.	Dicklich	Kelly	Morse	Sams
Benson, J.E.	Finn	Knaak	Neuville	Samuelson
Berg	Flynn	Kroening	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pappas	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Halberg	Marty	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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; authorizing tinted windshields for medical reasons; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 169.345, subdivision 1; 169.346, subdivision 2; and 169.71, subdivision 4.

Mr. Marty moved that S.F. No. 765, No. 13 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 976: 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.

Was read the third time 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Finn	Merriam	Samuelson	Waldorf
Brataas				

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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
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	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 460: A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to assist certain dependents of military personnel; clarifying the name of the state soldiers' welfare fund; changing certain requirements for appointment of county veterans service officers; containing instructions to the revisor of statutes; amending Minnesota Statutes 1990, sections 196.05; 197.03; and 197.60, subdivision 2, and by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Riveness
Benson, J.E.	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	Pappas	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf

Mr. Renneke voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, J.E.	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	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	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	Samuelson
Berg	Flynn	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Storm
Bertram	Frederickson, D.R.	Luther	Pariseau	Stumpf
Brataas	Gustafson	Marty	Piper	Traub
Chmielewski	Halberg	McGowan	Pogemiller	Vickerman
Cohen	Hottinger	Mehrkens	Price	Waldorf
Dahl	Johnson, D.E.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 226: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	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	Marty	Price	Waldorf
Dahl	Johnson, D.E.	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

Was read the third time 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:

Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, J.E.	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	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1235: A bill for an act relating to crimes; missing children; amending restrictions on felony prosecutions for taking, detaining, or failing to return a child; amending Minnesota Statutes 1990, section 609.26, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Ranum
Beckman	Day	Johnston	Metzen	Reichgott
Belanger	DeCramer	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	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	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

Mr. Halberg voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 623: A bill for an act relating to Martin county; permitting the consolidation of the offices of auditor and treasurer.

Was read the third time 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	Ranum
Beckman	Day	Johnson, J.B.	Merriam	Reichgott
Belanger	DeCramer	Johnston	Metzen	Riveness
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Sams
Benson, J.E.	Finn	Knaak	Mondale	Samuelson
Berg	Flynn	Kroening	Morse	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	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

Mr. Renneke voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
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	Solon
Berg	Flynn	Kroening	Novak	Spear
Berglin	Frank	Laidig	Olson	Storm
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Hottinger	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	

Mr. Larson voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Kelly	Mondale	Rivenness
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	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 588: A bill for an act relating to crime; providing penalties for intentional damage to timber processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage timber processing, manufacturing, or transportation equipment; proposing coding for new law in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, 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.	Rivenness
Benson, D.D.	Dicklich	Kelly	Mondale	Sams
Benson, J.E.	Finn	Kroening	Morse	Samuelson
Berg	Flynn	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pappas	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Hottinger	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	

Messrs. Knaak and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1050: A bill for an act relating to agriculture; permitting certain requirements for processing of farmstead cheese; amending Minnesota Statutes 1990, section 32.486, subdivision 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 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Day	Halberg	Mehrkens	Neuville	Sams
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So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 139: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 26 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Halberg	Larson	Solon
Beckman	Day	Johnson, D.E.	Lessard	Stumpf
Benson, J.E.	Frank	Johnston	Mehrkens	
Berg	Frederickson, D.J.	Kroening	Morse	
Bernhagen	Frederickson, D.R.	Laidig	Olson	
Bertram	Gustafson	Langseth	Renneke	

Those who voted in the negative were:



Belanger	Dicklich	Luther	Novak	Riveness
Benson, D.D.	Finn	Marty	Pappas	Sams
Berglin	Flynn	McGowan	Pariseau	Samuelson
Brataas	Hottinger	Merriam	Piper	Spear
Cohen	Johnson, D.J.	Metzen	Pogemiller	Storm
Dahl	Johnson, J.B.	Moe, R.D.	Price	Traub
Davis	Kelly	Mondale	Ranum	Vickerman
DeCramer	Knaak	Neuville	Reichgott	Waldorf

So the bill failed to pass.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	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	Samuelson
Berg	Flynn	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pappas	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Halberg	Marty	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrrens	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	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	Langseth	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Storm
Brataas	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrrens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

**RECESS**

Mr. Moe, R.D. moved that the Senate do now recess until 11:30 a.m. The motion prevailed.

The hour of 11:30 a.m. having arrived, the President called the Senate to order.

**CALL OF THE SENATE**

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1184 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 1184: A bill for an act relating to the environment; conforming permit fee requirements to the federal Clean Air Act; requiring a report; appropriating money; amending Minnesota Statutes 1990, section 116.07, subdivision 4d.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Sams
Benson, D.D.	Flynn	Knaak	Morse	Spear
Benson, J.E.	Frank	Langseth	Novak	Storm
Berglin	Frederickson, D.J.	Lessard	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Piper	Traub
Chmielewski	Gustafson	Marty	Pogemiller	Vickerman
Cohen	Hottinger	Mehrkens	Price	Waldorf
Dahl	Johnson, D.E.	Merriam	Ranum	

Those who voted in the negative were:

Berg	Day	Johnston	Neuville	Pariseau
Bertram	Halberg	McGowan	Olson	Samuelson

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1333 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 1333: A bill for an act relating to natural resources; amending certain provisions concerned with the management of fish and wildlife; designating red fox as an unprotected wild animal; increasing certain license fees; 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; appropriating money; amending Minnesota Statutes 1990, sections 84.0855; 84.82, subdivisions 2 and 3; 84.944, subdivision 2; 84.96, subdivision 5; 85.053, subdivision 5; 85.055, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, and 7; 97A.015, subdivisions 45 and 53; 97A.075, subdivision 2; 97A.325, subdivision 2; 97A.431, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivisions 6, 7, and 9; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.631; 97B.655, subdivision 1; 97B.721; and 97B.801; repealing Minnesota Statutes 1990, section 97B.301, subdivision 5.

Mr. Merriam moved to amend S.F. No. 1333 as follows:

Page 6, delete section 15

Page 6, line 33, delete the new language

Page 8, line 29, delete the new language

Page 11, line 2, delete the new language

Page 11, delete sections 27 to 29

Page 12, delete sections 31 and 32

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "animal;"

Page 1, line 18, delete "subdivisions 45 and" and insert "subdivision"

Page 1, line 21, delete "97A.541;"

Page 1, delete line 22 and insert "97B.601, subdivision 4;"

Page 1, line 23, delete "97B.655, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 1333 as follows:

Page 5, line 8, delete "\$35" and insert "\$20"

Page 5, line 10, delete "\$18" and insert "\$12"

Page 5, line 14, delete "\$22" and insert "\$18"

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 1333 as follows:

Pages 9 and 10, delete section 24

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 48 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Mehrkens	Riveness
Beckman	DeCramer	Johnson, D.J.	Mondale	Sams
Benson, D.D.	Dicklich	Johnson, J.B.	Neuville	Samuelson
Benson, J.E.	Finn	Johnston	Olson	Spear
Berglin	Flynn	Kelly	Pappas	Storm
Bernhagen	Frank	Laidig	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Larson	Pogemiller	Traub
Chmielewski	Gustafson	Lessard	Price	Vickerman
Dahl	Halberg	Luther	Ranum	
Davis	Hottinger	McGowan	Renneke	

Those who voted in the negative were:

Belanger	Frederickson, D.R. Marty	Moe, R.D.	Waldorf
Berg	Knaak	Morser	
Brataas	Langseth	Metzen	Piper

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1333 as follows:

Page 3, lines 7 to 9, reinstate the stricken language and delete the new language

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1333. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Knaak moved to amend S.F. No. 1333 as follows:

Page 9, after line 9, insert:

"Sec. 24. 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, accompanied by proof satisfactory to the commissioner that the applicant's gross income for the last calendar year was less than \$50,000, 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1333 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 34 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Langseth	Moe, R.D.	Ranum
Beckman	Frederickson, D.J.	Larson	Morse	Reichgott
Berglin	Frederickson, D.R.	Lessard	Novak	Riveness
Brataas	Hottinger	Luther	Pappas	Spear
Cohen	Knaak	Marty	Piper	Traub
Davis	Kroening	Merriam	Pogemiller	Waldorf
DeCramer	Laidig	Metzen	Price	

Those who voted in the negative were:

Belanger	Dahl	Johnson, D.E.	Mondale	Solon
Benson, D.D.	Day	Johnson, D.J.	Neuville	Storm
Benson, J.E.	Dicklich	Johnson, J.B.	Olson	Stumpf
Berg	Finn	Johnston	Pariseau	Vickerman
Bernhagen	Frank	Kelly	Renneke	
Bertram	Gustafson	McGowan	Sams	
Chmielewski	Halberg	Mehrkens	Samuelson	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1533 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1533: A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

Mr. Knaak moved to amend S.F. No. 1533 as follows:

Page 6, after line 23, insert:

“\$10,000 the first year is from the state forest account in the special revenue fund to establish rules under Minnesota Statutes, section 90.041, to restrict the harvesting of old-growth timber on state land. No sales of old-growth timber from state-owned lands may occur until the rules are adopted.”

Page 36, after line 26, insert:

“Sec. 18. Minnesota Statutes 1990, section 90.01, is amended by adding a subdivision to read:

*Subd. 10. “Old-growth forest stand” means an area of large, old trees of long-lived species that are beyond economic rotation ages and are essentially free from catastrophic disturbances.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 1533. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Knaak amendment.

The roll was called, and there were yeas 21 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, J.B.	McGowan	Ranum	Traub
Benson, J.E.	Johnston	Neuville	Renneke	
Berglin	Knaak	Olson	Riveness	
Brataas	Laidig	Pappas	Spear	
Flynn	Marty	Pariseau	Storm	

Those who voted in the negative were:

Adkins	Davis	Halberg	Luther	Price
Beckman	Day	Hottinger	Mehrkens	Reichgott
Benson, D.D.	DeCramer	Johnson, D.E.	Merriam	Sams
Berg	Dicklich	Johnson, D.J.	Metzen	Samuelson
Bernhagen	Finn	Kelly	Moe, R.D.	Vickerman
Bertram	Frank	Kroening	Mondale	Waldorf
Chmielewski	Frederickson, D.J.	Langseth	Morse	
Cohen	Frederickson, D.R.	Larson	Piper	
Dahl	Gustafson	Lessard	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1533 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Dahl	Halberg	Lessard	Pariseau
Berg	Frank	Johnston	Olson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1530 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1530: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 18.46, subdivisions 6, 9, 10, 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; 18.59; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 60A.14, subdivision 1; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 115C.09, by adding a subdivision; 138.91; 138.94; 155A.08, subdivisions 2, 3, and 5; 174.24, by adding a subdivision; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.155; 297B.031; 297B.09; 299K.09, subdivision 2; 349A.10, subdivision 5; and Laws 1987, chapter 396, article 6, section 2; repealing Minnesota Statutes 1990, sections 155A.09, subdivision 7; 168C.01 to 168C.13; and 174.32.

Mr. Mehrkens moved to amend S.F. No. 1530 as follows:

Page 9, line 11, delete "765,000" and insert "733,000" and delete "792,000" and insert "760,000"

Correct the section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1530 as follows:

Page 26, delete sections 33 to 37

Page 27, lines 3 to 14, delete the new language and reinstate the stricken language

Page 27, lines 16, 18, 20, 22, and 24, reinstate the stricken "operator"

Page 27, lines 17, 19, 21, 23, and 25, delete "stock grower"

Pages 27 and 28, delete section 39



Pages 29 to 31, delete sections 41 to 45

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1530 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 10, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Cohen	Johnston	McGowan	Olson
Berglin	Hottinger	Marty	Novak	Pariseau

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 765 a Special Order to be heard immediately.

### SPECIAL ORDER

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; authorizing tinted windshields for medical reasons; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 169.345, subdivision 1; 169.346, subdivision 2; and 169.71, subdivision 4.

Mr. Neuville moved to amend S.F. No. 765 as follows:

Page 2, after line 6, insert:

"Sec. 2. Minnesota Statutes 1990, section 168.041, is amended to read:

168.041 [IMPOUNDING REGISTRATION PLATES ~~AND CERTIFICATE~~  
CATES.]

Subdivision 1. [DRIVING AFTER LICENSE INVALIDATED.] When a person is convicted of driving a motor vehicle after the suspension, revocation, or cancellation of the person's driver's license or driving privileges, the court shall require the registration plates ~~and registration certificate~~ of the motor vehicle involved in the violation owned by the person or registered in the person's name to be surrendered to the court. The court shall issue a receipt for the surrendered registration plates ~~and registration certificate~~.

If the violator is not the owner of the motor vehicle, the court shall require

the registration plates and registration certificate of the motor vehicle to be surrendered to the court if the vehicle was used by the violator with the permission of the owner and the owner had knowledge of the fact that the violator's driver's license had been revoked or suspended prior to the commission of the offense.

Subd. 1a. [FAILURE TO PRODUCE PROOF OF INSURANCE.] When an owner is convicted under section 169.791, the court shall require the registration plates of the motor vehicle or motorcycle involved in the violation owned by the person to be surrendered to the court for the longer of the following:

(1) the remainder of the period of revocation to be served under section 169.792; or

(2) until the owner obtains proof of insurance referred to in section 169.792, subdivision 10, satisfactory to the commissioner of public safety.

Subd. 2. [MOVING VIOLATION FOLLOWING PREVIOUS CONVICTION.] If a person is convicted of violating a law or municipal ordinance, except a parking law or ordinance, regulating the operation of motor vehicles on the streets or highways, and the record of the person so convicted shows a previous conviction for driving after suspension or revocation of the person's driver's license or driving privileges, the court may direct the commissioner of public safety to suspend the driver's license of the person for a period not exceeding one year. The court may also require the registration plates and registration certificate of any motor vehicle owned by the violator or registered in the violator's name to be surrendered to the court.

Subd. 3. [OTHER CONVICTIONS.] Except as otherwise provided in section 168.042, if a person is convicted of an offense that makes mandatory the revocation of the person's driver's license, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require the registration plates and registration certificate of any motor vehicle owned by the person or any motor vehicle registered in the person's name to be surrendered to the court.

Subd. 4. [IMPOUNDMENT ORDER; PLATES SURRENDERED.] If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. ~~The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender.~~ The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Subd. 5. [REVOCATION RESCINDED.] If the driver's license revocation that is the basis for an impoundment order is rescinded, the registrar of motor vehicles shall issue new registration plates and a registration certificate for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation.

Subd. 6. [SPECIAL SERIES NUMBER PLATES.] (a) A violator or owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. The commissioner may authorize the issuance of

special plates if a member of the violator's household has a valid driver's license, the violator or owner has a limited license issued under section 171.30, or the owner is not the violator and the owner has a valid or limited license or a member of the owner's household has a valid driver's license. The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested. The commissioner may not authorize the issuance of special plates unless the court that impounded the vehicle's plates gives written approval for the issuance of the special plates.

(b) Until the driver's license of the violator is reinstated or reissued, the violator shall inform the commissioner that an impoundment order is in effect when requesting any new registration plates.

Subd. 7. [TRANSFERRING VEHICLE WHEN PLATES IMPOUNDED.] A registered owner may not sell a motor vehicle during the time its registration plates ~~and registration certificate~~ have been ordered surrendered or during the time its registration plates bear a special series number, unless the registered owner applies to the court that impounded the plates ~~and certificate~~, for consent to transfer title to the motor vehicle. If the court is satisfied that the proposed sale is in good faith and for a valid consideration, that the registered owner will be deprived of the custody and control of the motor vehicle, and that the sale is not for the purpose of circumventing the provisions of this section, it may certify its consent to the registrar of motor vehicles. The registrar shall then transfer the ~~registration certificate of title~~ to the new owner upon proper application and issue new registration plates. After the registration plates ~~and registration certificate~~ have been ordered surrendered to the court under this section, if the title to the motor vehicle is transferred by the foreclosure of a chattel mortgage, the cancellation of a conditional sales contract, a sale upon execution, or by decree or order of a court of competent jurisdiction, ~~the court shall order the registration certificate surrendered to the new registered owner.~~ the registrar of motor vehicles shall then transfer the ~~registration certificate of title~~ and issue new registration plates to the new registered owner.

Subd. 8. [APPLICATION TO REGISTRATION TAX.] Nothing contained in this section or section 168.042 is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which motor vehicle taxes must be paid.

Subd. 9. [PENALTY.] A person who fails to surrender any registration plates ~~or a registration certificate~~ to the court upon demand under this section, who operates a motor vehicle on a street or highway at a time when a court has ordered the surrender of its registration plates ~~and registration certificate~~, or who fails to comply with subdivision 6, paragraph (b), is guilty of a misdemeanor.

Subd. 10. [DEFINITION OF RENTAL MOTOR VEHICLE.] "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less.

Sec. 3 Minnesota Statutes 1990, section 169.123, subdivision 5b, is amended to read:

Subd. 5b. [ADMINISTRATIVE REVIEW.] At any time during a period of revocation imposed under this section or a period of disqualification imposed under section 171.165, a person may request in writing a review of the order of revocation or disqualification by the commissioner of public safety, unless the person is entitled to review under section 171.166. Upon receiving a request the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.001 to 14.69.

The availability of administrative review for an order of revocation or disqualification has no effect upon the availability of judicial review under this section.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's impoundment order under section ~~168.041~~, ~~subdivision 4a~~ 168.042, *subdivision 9.*"

Page 2, after line 29, insert:

"Sec. 5. Minnesota Statutes 1990, section 169.346, subdivision 1, is amended to read:

Subdivision 1. [PARKING CRITERIA.] A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically disabled, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a transfer zone for disabled persons; or

(3) exercise the parking privilege provided in section 169.345, unless:

(i) that person is a physically disabled person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically disabled person; and

(ii) the vehicle visibly displays one of the following: a license plate issued under section 168.021, a certificate issued under section 169.345, or an equivalent certificate, insignia, or license plate issued by another state, a foreign country, or one of its political subdivisions."

Page 4, after line 26, insert:

"Sec. 8. Minnesota Statutes 1990, section 169.795, is amended to read:  
169.795 [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 168.041, subdivisions 1a; ~~and 4;~~ ~~and 4a;~~ 169.09, subdivision 14; and 169.791 to 169.796.

Sec. 9. Minnesota Statutes 1990, section 171.29, subdivision 3, is amended to read:

Subd. 3. A person whose license has been revoked under section 169.121 or 169.123 may not be issued another license at the end of the revocation period unless the person has complied with all applicable registration plate impoundment provisions of ~~section~~ sections 168.041 and 168.042."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 765 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bertram moved that S.F. No. 499, No. 4 on General Orders, be stricken and re-referred to the Committee on Local Government. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 977 be withdrawn from the Committee on Rules and Administration 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.

Mr. Knaak introduced—

S.F. No. 1539: A bill for an act relating to education; making educational policies negotiable terms and conditions of employment for professional employees; amending Minnesota Statutes 1990, sections 179A.03, subdivision 19; and 179A.07, subdivision 1.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1540: A bill for an act relating to the city of Cloquet; permitting a levy outside the levy limits; amending Minnesota Statutes 1990, section 275.56, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf introduced—

S.F. No. 1541: A bill for an act relating to employment; providing assistance to businesses to establish a safe workplace; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

### **MEMBERS EXCUSED**

Mr. Hughes was excused from the Session of today. Mr. Davis was excused from the Session of today from 8:30 to 10:30 a.m. Mr. Dicklich was excused from the Session of today from 8:30 to 10:05 a.m. Mr. Sams was excused from the Session of today from 8:30 to 9:15 a.m. Ms. Berglin and Olson were excused from the Session of today from 8:30 to 9:20 a.m. Ms. Johnson, J.B., Messrs. Bertram, Solon and Novak were excused from the Session of today from 8:30 to 9:30 a.m. Mr. Cohen was excused from the Session of today from 12:45 to 1:15 p.m. Ms. Reichgott was excused from the Session of today from 8:30 to 9:30 a.m. and 12:30 to 1:30 p.m. Mrs. Pariseau was excused from the Session of today from 1:30 to 2:00 p.m. Mr. DeCramer was excused from the Session of today from 9:30 to 9:40 a.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Tuesday, April 30, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 30, 1991

The Senate met at 8:30 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 Senator Donald A. Storm.

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.	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	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.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 286, 368, 550 and 732.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 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. 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.

Senate File No. 729 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1991

### CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 729 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 729 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Marty	Pappas
Beckman	Davis	Johnson, D.J.	McGowan	Pariseau
Belanger	Day	Johnson, J.B.	Mehrkens	Price
Benson, D.D.	DeCramer	Johnston	Merriam	Ranum
Benson, J.E.	Dicklich	Kelly	Metzen	Renneke
Bernhagen	Finn	Knaak	Moe, R.D.	Sams
Bertram	Flynn	Langseth	Mondale	Samuelson
Brataas	Frank	Larson	Morse	Storm
Chmielewski	Frederickson, D.J.	Lessard	Neuville	Traub
Cohen	Hottinger	Luther	Olson	Vickerman

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. 654, 1542, 525, 1039, 1151, 1249, 882, 1066, 1371, 1475, 143, 228, 1310, 693, 1025 and 1286.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 654: 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 Rules and Administration for comparison with S.F. No. 990, now on General Orders.



H.F. No. 1542: 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; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1251, now on General Orders.

H.F. No. 525: 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 Rules and Administration for comparison with S.F. No. 1099, now on General Orders.

H.F. No. 1039: A bill for an act relating to public employees; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 798, now on General Orders.

H.F. No. 1151: 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.

Mr. Moe, R.D. moved that H.F. No. 1151 be laid on the table. The motion prevailed.

H.F. No. 1249: 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.

H.F. No. 882: 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 Finance.

H.F. No. 1066: 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 Rules and Administration for comparison with S.F. No. 1451.

H.F. No. 1371: 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 Rules and Administration for comparison with S.F. No. 177, now on General Orders.

H.F. No. 1475: A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1425, now on General Orders.

H.F. No. 143: 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 Rules and Administration for comparison with S.F. No. 105.

H.F. No. 228: A bill for an act relating to natural resources; establishing an educational program on best management practices; proposing coding for new law in Minnesota Statutes, chapter 103F.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1310: 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 Rules and Administration for comparison with S.F. No. 1206, now on General Orders.

H.F. No. 693: A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, 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; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 802, now on General Orders.

H.F. No. 1025: 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; providing for prospective revocation of certain retirement plan transfers; amending Minnesota Statutes 1990, section 354B.04, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 900, now on General Orders.

H.F. No. 1286: 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 Finance.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 728, 1142, 546 and H.F. No. 181. The motion prevailed.

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

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [EDUCATION MATERIALS FOR DIRECT CARE STAFF.]

*Subdivision 1. [FINDINGS.] In order to provide quality services to persons with developmental disabilities, the legislature finds it necessary to ensure that all persons who provide the services receive appropriate education. The education must promote the dignity of persons being served and contain outcome-based criteria.*

*Subd. 2. [EDUCATION MATERIALS.] The state board of technical colleges shall develop education materials for individuals and families who provide services to persons with developmental disabilities. To assist in the development of appropriate education materials, the chancellor of the technical college system shall appoint a 15-member task force. Six members of the task force shall represent consumers, parents, and advocacy organizations. Five members of the task force shall represent state employee unions, organizations, and individuals who provide direct services to persons with developmental disabilities. Four members of the task force shall represent post-secondary education and concerned citizens of the state.*

*Subd. 3. [COORDINATION WITH STATE AGENCIES.] The technical college system shall coordinate the development of education materials with the departments of human services, health, education, and jobs and training. Each of these state agencies shall designate staff to support the development of education materials.*

*Subd. 4. [REPORT.] The task force shall report to the state board, other appropriate state agencies, and the legislature on changes needed in pre-service and continuing education programs for persons who provide services to people with developmental disabilities.*

Sec. 2. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the state board of technical colleges for the purposes of section 1.”*

Delete the title and insert:

“A bill for an act relating to education; requiring the state board of technical colleges to develop education materials for people who provide services to people with developmental disabilities; creating an advisory task force; requiring a report; appropriating money.”

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. Spear from the Committee on Judiciary, to which was re-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 8, delete line 17

Page 8, line 18, delete "life,"

Page 9, lines 22 to 25, delete the new language

Page 11, after line 1, insert:

*"(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.*

Sec. 8. Minnesota Statutes 1990, section 518.641, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] An order for maintenance or child support shall provide for a biennial adjustment in the amount to be paid based on a change in the cost of living. An order that provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied *and the date on which the cost-of-living adjustment becomes effective.* The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. ~~The court may specify that the housing component be excluded from the cost-of-living adjustment.~~ Cost-of-living increases under this section shall be compounded. The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made, *for cases in which payment is made to the public authority. For cases in which payment is not made to the public authority, application for an adjustment may be made in any month, but no application for an adjustment may be made sooner than two years after the date of the dissolution decree.* A court may waive the requirement of the cost-of-living clause if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for maintenance or child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing. The commissioner of human services may promulgate rules for child support

adjustments under this section in accordance with the rulemaking provisions of chapter 14.

Sec. 9. Minnesota Statutes 1990, section 518.641, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor ~~shall inform~~ *informs* the obligor ~~that on of the date on which the adjustment in payments shall will~~ become effective ~~on the first of May~~; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Sec. 10. Minnesota Statutes 1990, section 549.09, subdivision 1, is amended to read:

Subdivision 1. [WHEN OWED; RATE.] (a) When the judgment is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict or report until judgment is finally entered shall be computed by the court administrator as provided in clause (c) and added to the judgment.

(b) Except as otherwise provided by contract or allowed by law, preverdict or prereport interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action, 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 shall be calculated by the judge in the following manner. The prevailing party shall receive interest on any judgment from the time the action was commenced or 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 or report only if the amount of its offer is closer to the judgment than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment, whichever is less, and only from the time the action was commenced or 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 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, decrees, or orders in dissolution, annulment, or legal separation actions;~~

~~(3) judgments for future damages;~~

~~(4) (3) punitive damages, fines, or other damages that are noncompensatory in nature;~~

~~(5) (4) judgments not in excess of the amount specified in section 487.30; and~~

~~(6) (5) that portion of any verdict or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court.~~

(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.

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."

Amend the title as follows:

Page 1, line 10, after the second semicolon, insert "modifying provisions dealing with cost-of-living adjustments; providing for interest on family law orders;"

Page 1, line 14, delete "and"

Page 1, line 15, before the period, insert "; 518.641, subdivisions 1 and 2; and 549.09, 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. 628: A bill for an act relating to juveniles; requiring a study of the juvenile certification process.

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

Delete everything after the enacting clause and insert:

“Section 1. [JUVENILE CERTIFICATION STUDY GROUP.]

*Subdivision 1. [CREATION.] (a) A juvenile certification study group is created and consists of 14 members.*

*(b) The state supreme court shall appoint eight members from among recommendations submitted by the following:*

- (1) the Minnesota judges association;*
- (2) the county attorneys association;*
- (3) the state public defenders association;*
- (4) the district public defenders;*
- (5) the association of chiefs of police;*
- (6) the county sheriffs association;*
- (7) the police and peace officer association; and*
- (8) Minnesotans for improved juvenile justice.*

*(c) The state supreme court shall appoint five members from correctional systems, at least two of whom must be from outside the metropolitan area; and at least two of whom must be employed in juvenile corrections.*

*(d) The state supreme court shall also appoint a member who is a psychologist with experience performing evaluations of juveniles during certification proceedings.*

*Subd. 2. [MEETINGS.] The state court administrator shall serve as a nonvoting member and the chair of the study group and shall convene meetings of the group at least monthly, beginning in June 1991.*

*Subd. 3. [STAFFING.] The study group will receive staff support from existing staff at the state planning agency.*

*Subd. 4. [GOALS OF STUDY.] (a) The study group shall compile statistics for the past ten years to show:*

- (1) the characteristics of juveniles who have been certified to adult court;*
- (2) the disposition of cases in which a juvenile was certified; and*
- (3) the disposition of cases in which a juvenile matter remained in juvenile court despite a petition for certification.*

*(b) The study group shall evaluate the juvenile certification process and its effectiveness in:*

- (1) distinguishing juveniles who are amenable to rehabilitation in the juvenile correctional system from those who are not;*
- (2) protecting public safety;*
- (3) providing consequences that are appropriate to the severity of the*

offense;

(4) *reducing recidivism; and*

(5) *meeting other correctional goals.*

*Subd. 5. [REPORT TO LEGISLATURE.] The study group shall report the results of the study to the judiciary committees in the senate and house of representatives by January 15, 1992, and make any appropriate legislative recommendations in its report.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

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

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

S.F. No. 945: 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.

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

Page 1, line 23, after "or" insert "*where an aquatic farmer*"

Page 5, line 13, after the period, insert "*Repair or replacement parts for aquaculture production equipment shall not be included in the definition of aquaculture production equipment.*"

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

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

S.F. No. 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.

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

Page 1, line 26, strike "6,000" and insert "6,001"

Page 2, line 34, delete "6,000" and insert "6,001"

Page 2, line 35, delete ".009" and insert ".9"

Page 3, line 1, delete ".01 cents" and insert "one cent"

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. 506: 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.

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

Page 2, line 19, delete "35" and insert "33"

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1990, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

- (i) section 527 (dealing with political organizations);
- (ii) section 528 (dealing with certain homeowners associations); and
- (iii) sections 511 to 515 (dealing with unrelated business income); but

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code, *provided that the full*

*amount of charitable contributions made by the organization shall be deductible from the organization's unrelated business taxable income for purposes of this subdivision, and provided that the tax is not imposed on advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code.*

The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in section 290.21 shall not be allowed in computing Minnesota taxable net income."

Page 7, line 4, after the first comma, insert "and"

Page 7, line 5, strike everything after "4"

Page 7, line 6, strike everything before the semicolon

Page 7, line 9, after "exceed" insert ":

(i)" and reinstate the stricken language

Page 7, line 10, reinstate the stricken language

Page 7, line 11, reinstate the stricken "used for" and after the stricken "gambling" insert "bingo; or

(ii)" and after "year" insert "for premises used for other forms of lawful gambling"

Page 9, lines 17 and 18, reinstate the stricken language

Page 11, line 35, strike everything after "(b)"

Page 11, strike line 36

Page 12, lines 1 to 8, strike the old language and delete the new language

Page 12, line 9, strike "(c)"

Pages 12 and 13, delete section 11

Pages 13 and 14, delete section 13

Page 22, lines 8 and 10, delete "26" and insert "25"

Pages 22 and 23, delete section 28

Page 30, line 21, delete "3, 4, and 36 to 39" and insert "4, 7, and 34 to 37"

Page 31, line 14, delete "(3)" and insert "(4)"

Page 31, line 21, delete "35" and insert "33"

Page 32, delete line 6 and insert:

"Sections 7, 9 to 11, 15 to 19, 22, 24, 27, 30 to 32,"

Page 32, line 7, delete "45" and insert "43"

Page 32, delete lines 8 and 9 and insert:

"Section 3 is effective for taxable years beginning after December 31, 1990."

Page 32, line 10, delete "21, 22, 31, 35, and 43" and insert "20, 21, 29, 33, and 41"

Page 32, line 12, delete "14, and 15" and insert "13, and 14"

Page 32, line 14, delete "27" and insert "26"

Page 32, line 16, delete "3, 4, 36 to 39, and 41" and insert "4, 5, 34 to 37, and 39"

Page 32, line 18, delete "7, 24, and 26" and insert "8, 23, and 25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "exempting lawful gambling profits from the tax on unrelated business income;"

Page 1, delete line 10

Page 1, line 11, delete "tipboards" and insert "changing requirements relating to posting of pull-tab winners"

Page 1, line 21, after "subdivision;" insert "290.05, subdivision 3;"

Page 1, line 24, delete "subdivisions 2 and" and insert "subdivision" and delete "349.163, subdivision 3;"

Page 1, line 28, delete "349.212, subdivision 4;"

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. 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.

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

Page 3, lines 3 to 6, delete the new language

Page 3, line 7, after "prescribes" insert "*except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision*

*1, are payable by April 15 following the close of the calendar year"*

Page 7, line 7, after "*facility*" insert "*or professional*"

Page 7, line 8, after "*facility*" insert "*or professional*"

Page 11, line 35, strike "(except as provided in"

Page 11, line 36, strike "section 297A.14)"

Pages 12 to 14, delete sections 11 and 12

Page 14, line 24, delete "*subdivisions*"

Page 14, line 25, delete "*1, 2b, and 3, are*" and insert "*is*"

Page 14, line 30, delete "*and 11 to 14*" and insert "*11, and 12*"

Page 14, line 31, after "*1991*" insert "*, provided that the provisions of section 297A.257, subdivision 2a, paragraph (b), will remain in effect only for the purpose of application to a facility used primarily for the repair and overhaul of jet aircraft engines*"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 18, delete "297A.257, subdivisions 2"

Page 1, line 19, delete "and 2a;"

Page 1, line 27, delete ", subdivisions 1, 2b, and 3"

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

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

S.F. No. 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.

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

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1990, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred and, further, shall advise the debtor of the claimant agency's intention to request setoff of the refund against the debt.

(b) The notice will also advise the debtor that any debt incurred more than six years from the date of the notice to the commissioner under section 270A.07, *other than a debt related to child support*, must not be setoff against a refund, and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice or of the corrected notice, as required by subdivision 1. If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits."

Page 4, line 16, delete "*credit*" and insert "*refund*"

Page 5, line 19, after the period, insert "*There is a rebuttable presumption that*"

Page 5, line 20, delete "*presumed to*"

Page 5, line 21, delete "*be*"

Page 5, delete lines 31 to 33

Page 11, lines 16, 20, 23, and 32, strike "*credit*" and insert "*refund*"

Page 12, lines 3, 25, and 28, strike "*credit*" and insert "*refund*"

Page 17, line 28, delete "*a partnership's*"

Page 17, line 29, after "*receipts*" insert "*of a partnership in which it is a partner*"

Page 29, line 34, delete everything before "*are*" and insert:

"*Section 2 is effective April 25, 1990. Sections 4, 8 to 10, 12 to 14, 17, and 18*"

Page 29, line 35, delete "*10*" and insert "*11*"

Page 30, line 1, delete "*14 and 15*" and insert "*15 and 16*"

Page 30, line 2, delete "*23 to 25*" and insert "*24 to 26*"

Page 30, line 4, before the period, insert "*, and with respect to applications for leasehold cooperative status filed with the county after December 31, 1990*"

Renumber the sections of article 1 in sequence

Page 48, after line 24, insert:

"(o) *A financial institution's interest in property described in section*

*290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n)."*

Page 50, after line 11, insert:

"Sec. 16. Minnesota Statutes 1990, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.] (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the

ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is ~~not included in the numerator of the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b).~~ If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (1).

Sec. 17. Minnesota Statutes 1990, section 290.35, subdivision 3, is amended to read:

Subd. 3. [CREDIT.] An insurance company shall receive a credit against the tax *computed under section 290.06, subdivision 1*, equal to any taxes based on premiums paid by it that are attributable to the period for which the tax under this chapter is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by sections 69.54 to 69.56."

Page 52, line 2, delete "7, 11 to 19, and 21" and insert "12 to 15, 18 to 21, and 23"

Page 52, line 3, delete everything after "1990" and insert "*provided that the carryover for the credit provided under section 290.068, subdivision 6, remains in effect for taxable years beginning before January 1, 2003. Sections 7 and 11 are effective the day following final enactment. Section 17 is effective for taxable years beginning after December 31, 1989. Section 22 is*"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "270A.08, subdivision 2;"

Page 1, line 19, delete "and 8" and insert "*8, and 11; 290.35, subdivision 3*"

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. 467: A bill for an act relating to education; providing for revenue for general education, transportation, special programs, community education, facilities, equipment, cooperation, libraries, state education agencies, Faribault academies, center for arts education, and other purposes; establishing a learning readiness program; altering the operations of regional

education organizations; providing for teacher rights in certain circumstances; imposing duties on certain state agencies; requiring a report; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.17, subdivisions 7a, 11a, 12, and by adding a subdivision; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.14; 121.165; 121.49, subdivision 1; 121.608; 121.609, subdivisions 1, 2, and 3; 121.612, subdivision 9; 121.88, subdivision 10; 121.882, by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, by adding a subdivision; 122.41; 122.531, by adding a subdivision; 122.535, subdivision 6; 122.541, subdivision 7; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivision 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 4, 8, and by adding subdivisions; 123.40, by adding a subdivision; 123.58, by adding subdivisions; 123.706, subdivision 6; 123.707, subdivisions 1 and 2; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.223, subdivision 1; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.276, subdivision 4; 124.32, subdivisions 1b and 10; 124.431, subdivision 7, and by adding a subdivision; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, 4, and by adding a subdivision; 124.646, subdivision 1, and by adding a subdivision; 124.6472, subdivision 1; 124.83, subdivisions 3 and 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, and 9; 124A.23, subdivision 1; 124A.24; 124A.26, subdivision 1; 124B.03, subdivision 2; 124C.03, subdivision 16; 125.09, subdivision 4; 126.113, subdivisions 1 and 2; 126.22, subdivisions 2, 3, 4, and 8; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivisions 1 and 2; 126.70, subdivisions 1 and 2a; 128A.02, subdivision 4; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, and 4a; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 268.08, subdivision 6; 272.02, subdivision 8; 273.1398, subdivision 6; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 364.09; and 631.40; Laws 1989, chapter 329, articles 6, section 53, as amended, and 9, section 35; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 124C; 125; 126; 127; 128B; 129C; 134; 136D; and 181A; repealing Minnesota Statutes, sections 3.865; 3.866; 120.104; 121.11; 121.15, subdivision 10; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2;



122.43, subdivision 1; 122.531, subdivision 5; 122.91, subdivision 7; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.701; 123.702; 123.704; 123.706, subdivision 3a; 123.707, subdivision 3; 123.73; 124.17, subdivision 1b; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.331; 124.332; 124.333; 124.48, subdivision 2; 124.493, subdivision 2; 124.575, subdivision 3a; 124A.02, subdivision 19; 124A.04, subdivision 1; 124C.02; 124C.41, subdivision 7; 125.231; 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; 128B.10, subdivisions 2 and 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivisions 2 and 3; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, 8d, and 8e.

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

Page 19, line 34, delete everything after "if" and insert "*elementary teachers have at least the same number of minutes of pupil contact time each day as secondary teachers in the district*"

Page 19, line 35, delete everything before the period

Page 20, lines 4 and 8, before the period, insert "*for any of the purposes enumerated in section 23*"

Page 20, line 6, delete "300" and insert "*at least the same number of*"

Page 20, line 7, before the comma, insert "*as secondary teachers*"

Page 22, line 9, before "A" insert "*Subdivision 1. [1991 MORATORIUM.]*"

Page 22, after line 14, insert:

*"Subd. 2. [CERTAIN EXTENSIONS.] Notwithstanding subdivision 1, if the last year of authorization for a school board to levy according to Minnesota Statutes, section 124A.03, subdivision 2, is for taxes payable in 1991, a school board may levy for taxes payable in 1992 according to this subdivision. In order to levy under this subdivision, a school board must adopt a resolution, by a five-sixths majority of the entire membership of the school board for a six member school board or by a six-sevenths majority of the entire membership of the school board for a seven member school board, stating its intention to levy according to this subdivision and to conduct an election in 1992 according to section 10. If the total authorization of a school board to levy according to Minnesota Statutes, section 124A.03, subdivision 2, terminates for taxes payable in 1991, the board may levy under this subdivision for taxes payable in 1992 an amount up to the total authority according to section 124A.03, subdivision 2, for taxes payable in 1991. If any part of a school board's total authorization to levy according to section 124A.03, subdivision 2, terminates for taxes payable in 1991, the board may levy under this subdivision for taxes payable in 1992 an amount up to the part that terminates for taxes payable in 1991 plus an amount that does not exceed the amount authorized under section 124A.03, subdivision 2, and that does not terminate for taxes payable in 1992, but the combination of the levies may not exceed the total authority for taxes payable in 1991. A school board that has conducted an election under section 124A.03, subdivision 2, for taxes payable beginning in 1992 may not levy according to this subdivision.*

*The amount of the deficit may be levied by the school board unless a*

*petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of adopting a resolution to levy for the first year under this section. The percentage shall be determined according to the number of registered voters in the school district on the day before the petition is filed with the school board. The petition must call for a referendum on the question of whether the district may levy to eliminate the deficit. Upon receipt of a petition, the school board shall conduct a referendum on the date set by the school board. The approval of 50 percent plus one of those voting on the question is required to pass a referendum. A petition may be submitted and a referendum may be conducted only for the first year the school board proposes to levy under this section."*

Page 24, line 14, delete everything after the period

Page 24, delete lines 15 to 18

Page 24, line 19, delete the new language

Page 44, line 30, delete "*subdivisions 1*" and insert "*subdivision 3*"

Page 44, line 31, delete "*and 2*"

Page 63, line 12, after "*Statutes*" insert "*1990*"

Page 70, line 3, strike "*K-12 system*" and insert "*school board, if the extended day program is not operated by the school board*" and strike "*other*"

Page 70, after line 21, insert:

"Sec. 3. Minnesota Statutes 1990, section 123.706, subdivision 3, is amended to read:

Subd. 3. [PROGRAM AVAILABLE.] ~~Beginning in fiscal year 1994,~~ A school district shall make a screening program available to children who are three years old and older but who have not entered kindergarten. No child may be required to be screened. A district shall follow up on referrals to determine whether a child needs or has obtained additional services. To the extent possible, a district shall cooperate with public and private organizations in the community to deliver, finance, and provide volunteer and in-kind services."

Renumber the sections of article 4 in sequence

Page 89, delete lines 23 to 25 and insert:

*"If a district's expenditure request for fiscal year 1993 is reduced under the state board criteria, the approved expenditure must not be reduced below the revenue amount the district received for fiscal year 1992."*

Page 97, line 6, delete "*1991*" and insert "*1990*"

Page 97, line 7, delete "*1992*" and insert "*1991*"

Page 105, line 15, strike "*it*" and delete the new language

Page 105, line 16, delete the new language and strike the old language

Page 105, line 17, strike the old language and delete "*offered*"

Page 105, strike line 18

Page 105, line 19, strike everything before the period and insert "*the school district certified a levy for secondary vocational cooperative revenue in 1990 for taxes payable in 1991*"

Page 119, delete lines 7 to 16 and insert:

*“At the time independent school district No. 653, Olivia, combines with another district under Minnesota Statutes, sections 122.241 to 122.248, the school board of the combined district may levy on the taxable property of the former Olivia school district. The amount that may be levied may not exceed the deficit in the net unappropriated operating funds of the Olivia school district determined as of June 30 of the fiscal year preceding the effective date of combination. The amount of the levy may be certified over a period not to exceed five years.”*

Page 119, line 17, after “amount” insert “of the deficit”

Page 119, line 20, after “levy” insert “for the first year”

Page 119, line 25, delete “for the project” and insert “to eliminate the deficit” and after the period, insert “Upon receipt of a petition, the school board shall conduct a referendum on the date set by the school board.”

Page 119, line 26, after the period, insert “A petition may be submitted and a referendum may be conducted only for the first year the school board proposes to levy under this section.”

Page 123, lines 9 and 30, delete “state board” and insert “commissioner”

Page 135, line 4, before the period, insert “, and other programs such as peer tutoring and helping with homework”

Page 208, line 11, delete “275.14” and insert “477A.011, subdivision 3”

Amend the title as follows:

Page 1, line 35, delete “subdivision” and insert “subdivisions 3 and”

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. 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.

Reports the 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 3.195, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION OF REPORTS.] (a) A report to the legislature required of a department or agency shall be made, unless otherwise specifically required by law, by filing one copy with the secretary of the senate, one copy with the chief clerk of the house of representatives, and ~~ten~~ six copies with the legislative reference library. The same distribution procedure shall be followed for other reports and publications unless otherwise requested by a legislator or the legislative reference library.

(b) *A report or publication produced by a public entity may not be sent to both the home address and the office address of a representative or senator unless mailing to both addresses is requested by the representative or senator.*

(c) *Reports, publications, periodicals, and summaries under this subdivision must be printed in a manner consistent with section 16B.122.*

Sec. 2. Minnesota Statutes 1990, section 3.887, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] (a) The legislative water commission shall review water policy reports and recommendations of the environmental quality board, the biennial report of the board of water and soil resources, and other water-related reports as may be required by law or the legislature.

(b) *The commission shall oversee the activities of the pollution control agency under sections 116.16 to 116.181 relating to water pollution control.*

~~(b)~~(c) The commission may conduct public hearings and otherwise secure data and comments.

~~(e)~~(d) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

~~(d)~~(e) Data or information compiled by the legislative water commission or its subcommittees shall be made available to the legislative commission on Minnesota resources and standing and interim committees of the legislature on request of the chair of the respective commission or committee.

Sec. 3. Minnesota Statutes 1990, section 16B.122, is amended to read:

16B.122 [PURCHASE AND USE OF PAPER STOCK; PRINTING.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) “Office paper” means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.

(b) “Postconsumer material” means a finished material that would normally be discarded as a solid waste, having completed its life cycle as a consumer item.

(c) "Practicable" means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.

(e) (d) "Printing paper" means paper designed for printing, other than newsprint, such as offset and publication paper.

(d) (e) "Public agency entity" means the state, an office, agency, or institution of the state, *the metropolitan council, a metropolitan agency, the metropolitan mosquito control district, the legislature, the courts*, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, *an individual or organization that receives public funding*, or any contractor acting pursuant to a contract with a public agency entity.

(e) (f) "Vegetable oil-based ink" means printing ink where at least 50 percent of the oil content is primarily composed of soy or other vegetable oil.

(g) "Uncoated" means not coated with plastic, clay, or other material used to create a glossy finish.

Subd. 2. [PURCHASE REQUIRED PURCHASES; PRINTING.] (a) Whenever practicable, a public agency entity shall:

(1) purchase uncoated office paper and printing paper ~~whenever practicable~~;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use vegetable oil-based inks; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state resources recovery program.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent fiber that has been recycled after use by a consumer.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

Sec. 4. Minnesota Statutes 1990, section 16B.61, subdivision 3a, is amended to read:

Subd. 3a. [RECYCLING SPACE.] The code must require suitable space for the separation, collection, and temporary storage of recyclable materials within or adjacent to new or significantly remodeled structures that contain 1,000 square feet or more. Residential structures with ~~less fewer than 12~~ four dwelling units are exempt from this subdivision.

Sec. 5. Minnesota Statutes 1990, section 115A.02, is amended to read:

## 115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to improve waste management in the state to serve the following purposes:

- (1) Reduction in waste generated;
  - (2) Separation and recovery of materials and energy from waste;
  - (3) Reduction in indiscriminate dependence on disposal of waste;
  - (4) Coordination of solid waste management among political subdivisions;
- and
- (5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The following waste management practices are in order of preference:

- (1) waste reduction and reuse;
- (2) waste recycling ~~and yard waste composting~~;
- (3) *composting of yard waste and food waste*;
- (4) resource recovery through mixed municipal solid waste composting or incineration; and
- (4) (5) land disposal.

Sec. 6. Minnesota Statutes 1990, section 115A.03, subdivision 17a, is amended to read:

Subd. 17a. [MAJOR APPLIANCES.] "Major appliances" means clothes washers and dryers, dishwashers, hot water heaters, *residential furnaces*, garbage disposals, trash compactors, conventional *and microwave* ovens, ranges and stoves, air conditioners, *dehumidifiers*, refrigerators, and freezers.

Sec. 7. Minnesota Statutes 1990, section 115A.06, subdivision 2, is amended to read:

Subd. 2. [RULES.] Unless otherwise provided, the ~~office~~ *director* shall promulgate rules in accordance with chapter ~~45 14~~ to govern its activities and implement ~~sections 115A.01 to 115A.72~~ *chapter 115A*.

Sec. 8. Minnesota Statutes 1990, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall oversee the activities of the office ~~under this chapter, agency, and metropolitan council~~ relating to solid and hazardous waste management, ~~the activities of the agency under sections 116.16 to 116.181 relating to water pollution control, and the activities of the metropolitan council relating to metropolitan waste management under sections 473.801 to 473.848,~~ and direct such changes or additions in the work plan of the office ~~and~~, agency, *and council* relating to solid and hazardous waste management as ~~the~~ *the commission* deems fit.

(b) The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:

- (4) the environmental response, compensation, and compliance account

in the environmental fund under section 115B.20, subdivision 5;

(2) the metropolitan landfill abatement account under section 473.844; and

(3) the metropolitan landfill contingency action trust fund under section 473.845.

(c) The commission may conduct public hearings and otherwise secure data and expressions of opinion. The commission shall make such recommendations as it deems proper to assist the legislature in formulating legislation. Any data or information compiled by the commission shall be made available to any standing or interim committee of the legislature upon request of the chair of the respective committee.

Sec. 9. Minnesota Statutes 1990, section 115A.15, subdivision 7, is amended to read:

Subd. 7. [WASTE REDUCTION PROCUREMENT MODEL.] To reduce the amount of solid waste generated by the state and to provide a model for other public and private procurement systems, the commissioner, in cooperation with the director of the office of waste management, shall develop waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items by November 1, 1991. On implementation of the model procurement system, the commissioner, in cooperation with the director, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under section 115A.072, subdivision 4.

Sec. 10. Minnesota Statutes 1990, section 115A.15, subdivision 9, is amended to read:

Subd. 9. [RECYCLING GOAL.] By December 31, 1993, the commissioner shall recycle at least 40 percent by weight of the solid waste generated by state offices and other state operations located in the metropolitan area. ~~The commissioner must keep records of the recycling and composting operation and share them annually with the metropolitan council and counties to assist the council and the counties in their data collection efforts.~~ *By August 1 of each year the commissioner shall report to the office and the metropolitan council the recycling rates by county for state offices and other state operations in the metropolitan area for the previous fiscal year. The office shall incorporate these figures into the reports submitted by the counties under section 115A.557, subdivision 3, to determine each county's progress toward the goal in section 115A.551, subdivision 2.*

*Each state agency in the metropolitan area shall work to meet the recycling goal individually. If the goal is not met by an agency, the commissioner shall notify that agency that the goal has not been met and the reasons the goal has not been met and shall provide information to the employees in the agency regarding recycling opportunities and expectations.*

Sec. 11. Minnesota Statutes 1990, section 115A.151, is amended to read:

115A.151 [STATE AND LOCAL FACILITIES.]

By January 1, 1991, a state agency or local unit of government or school district in the metropolitan area or by January 1, 1993, a state agency or local unit of government or school district outside of the metropolitan area shall:

(1) ensure that facilities under its control, from which mixed municipal

solid waste is collected, have containers for at least three of the following recyclable materials: *paper, glass, plastic, and metal*; and

(2) transfer all recyclable materials collected to a recycler.

Sec. 12. [115A.31] [LOCAL GOVERNMENT DECISIONS; TIME-LINES.]

*If a county applies for or requests approval of establishment of a solid waste facility within the boundaries of a local government unit, the local government unit shall approve or disapprove the application or request within 120 days following the delivery by the county to the local government unit of the application or request completed in accordance with the requirements of applicable local ordinances.*

*If the proposed facility is one for which an environmental impact statement or environmental assessment worksheet is required under section 116D.04, the local government unit shall approve or disapprove the application or request within 90 days after the final determination of adequacy of the environmental impact statement or environmental assessment worksheet.*

Sec. 13. Minnesota Statutes 1990, section 115A.411, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; PURPOSE.] ~~The office and director with assistance from the agency commissioner shall jointly prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be adopted by November 15 of each even-numbered year beginning in 1988.~~ The report must be submitted by the office and the agency jointly director to the legislative commission on waste management by November 15 of each even-numbered year and may include reports required under sections 115A.551, subdivision 4, and 115A.557, subdivision 4.

Sec. 14. Minnesota Statutes 1990, section 115A.46, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) Plans shall address the state policies and purposes expressed in section 115A.02 and may not be inconsistent with state law.

(b) 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.

(c) Plans shall address:

(1) the resolution of conflicting, duplicative, or overlapping local management efforts- ~~Plans shall address;~~

(2) the establishment of joint powers management programs or waste management districts where appropriate- ~~Plans shall address; and~~

(3) other matters as the rules of the office may require consistent with the purposes of sections 115A.42 to 115A.46.

(d) Political subdivisions preparing plans under sections 115A.42 to 115A.46 shall consult with persons presently providing solid waste collection, processing, and disposal services.

(e) Plans ~~shall must be approved by~~ submitted to the office director, or the metropolitan council pursuant to section 473.803, for approval. When



*a county board is ready to have a final plan approved, the county board shall submit a resolution requesting review and approval by the director or the metropolitan council. After receiving the resolution, the director or the metropolitan council shall notify the county within 45 days whether the plan as submitted is complete and, if not complete, the specific items that need to be submitted to make the plan complete. Within 90 days after a complete plan has been submitted, the director or the metropolitan council shall approve or disapprove the plan. If the plan is disapproved, reasons for the disapproval must be provided.*

(f) After initial approval, each plan ~~shall~~ must be updated and submitted for approval every five years ~~and~~. The plan must be revised as necessary ~~for further approval~~ so that it is not inconsistent with state law.

Sec. 15. Minnesota Statutes 1990, section 115A.46, is amended by adding a subdivision to read:

*Subd. 5. [JURISDICTION OF PLAN.] (a) After a county plan has been submitted for approval under subdivision 1, a political subdivision within the county may not enter into a binding agreement governing a solid waste management activity that is inconsistent with the county plan without the consent of the county.*

*(b) After a county plan has been approved under subdivision 1, the plan governs all solid waste management in the county and a political subdivision within the county may not develop or implement a solid waste management activity, other than an activity to reduce waste generation or reuse waste materials, that is inconsistent with the county plan that the county is actively implementing without the consent of the county.*

Sec. 16. Minnesota Statutes 1990, section 115A.49, is amended to read:

115A.49 [ESTABLISHMENT; PURPOSES AND PRIORITIES.]

There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state. The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including waste reduction; waste separation by generators, collectors, and other persons; and waste processing. ~~The director shall administer the program must be administered by the office~~ in accordance with the requirements of sections 115A.49 to 115A.54 and rules promulgated ~~by the office pursuant to~~ under chapter 14. In administering the program, ~~the office~~ director shall give priority to projects in the order of preference ~~of the waste management practices listed in section 115A.02~~. ~~The director shall give special consideration to~~ areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by ~~the office~~ director to be less than five years; and projects serving more than one local government unit.

Sec. 17. Minnesota Statutes 1990, section 115A.53, is amended to read:

115A.53 [WASTE REDUCTION AND SEPARATION PROJECTS.]

The ~~office~~ director shall provide grants to develop and implement projects for ~~waste reduction~~; waste separation by generators, collectors, and other persons; and collection systems for separated waste. Activities eligible for

assistance under this section include legal, financial, economic, educational, marketing, social, governmental, and administrative activities related to the development and implementation of the project. Preliminary planning and development, feasibility study, and conceptual design costs are eligible activities, but no more than 20 percent of program funds shall be used to fund those activities. Projects may include the management of household hazardous waste, as defined in section 115A.96. *The director shall give priority to innovative methods for waste separation for reuse and recycling.* ~~The rules of the office~~ *director shall prescribe by rule the level or levels of local funding required for grants under this section.*

Sec. 18. Minnesota Statutes 1990, section 115A.551, is amended by adding a subdivision to read:

*Subd. 2a. [SUPPLEMENTARY RECYCLING GOALS.] By July 31, 1996, each county will have as a goal to recycle the following amounts:*

*(1) for a county outside of the metropolitan area, 30 percent of the solid waste generated in the county;*

*(2) for a metropolitan county, 45 percent of the solid waste generated in the county.*

*Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal. For the purposes of this subdivision "solid waste" includes all solid waste generated in a county and materials that are separated for recycling, but does not include yard waste.*

Sec. 19. Minnesota Statutes 1990, section 115A.551, subdivision 4, is amended to read:

*Subd. 4. [INTERIM MONITORING.] The office, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward meeting the recycling goal in subdivision 2 and shall report to the legislative commission on waste management on the progress of the counties by November + 15 of each year. If the office or the council finds that a county is not progressing toward the goal in subdivision 2, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.*

*In even-numbered years the progress report may be included in the solid waste management policy report required under section 115A.411.*

Sec. 20. Minnesota Statutes 1990, section 115A.552, subdivision 1, is amended to read:

*Subdivision 1. [COUNTY REQUIREMENT.] Counties shall ensure that residents, including residents of single and multifamily dwellings, have an opportunity to recycle. At least one recycling center shall be available in each county. Opportunity to recycle means availability of recycling and curbside pickup or collection centers for recyclable materials at sites that are convenient for persons to use. Counties shall also provide for the recycling of problem materials and major appliances. Counties shall assess the operation of existing and proposed recycling centers and shall give due*

consideration to those centers in ensuring the opportunity to recycle.

Sec. 21. Minnesota Statutes 1990, section 115A.552, subdivision 2, is amended to read:

Subd. 2. [RECYCLING OPPORTUNITIES.] An opportunity to recycle must include:

(1) a local recycling center in the county and sites for collecting recyclable materials that are located in areas convenient for persons to use them;

(2) curbside pickup, centralized drop-off, or a local recycling center for at least four ~~kinds~~ *broad types* of recyclable materials in cities with a population of 5,000 or more persons; and

(3) monthly pickup of at least four *broad types* of recyclable materials in cities of the first and second class and cities with 5,000 or more population in the metropolitan area.

Sec. 22. Minnesota Statutes 1990, section 115A.552, is amended by adding a subdivision to read:

Subd. 4. [NONRESIDENTIAL RECYCLING.] *Each county shall encourage building owners and managers, business owners and managers, and collectors of commercial mixed municipal solid waste to provide appropriate recycling services and opportunities to generators of commercial, industrial, and institutional solid waste in the county. In recognizing appropriate recycling services and opportunities, a county must take into consideration existing technological development of solid waste systems in the county; the limits on markets for materials other than glass, paper, aluminum, and plastic; and the needs of generators in the county.*

Sec. 23. Minnesota Statutes 1990, section 115A.554, is amended to read:  
115A.554 [AUTHORITY OF SANITARY DISTRICTS.]

A sanitary district with the authority to regulate solid waste has the authority and duty of counties within the district's boundary for purposes of sections 115A.46, subdivision 4; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.93; 115A.96, subdivision 6; 115A.961; 115A.991; 375.18, subdivision 14; and 400.08, subdivision 5.

Sec. 24. Minnesota Statutes 1990, section 115A.557, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By November 4 15 of each year, the office shall report on how the money was spent and the resulting statewide improvements in solid waste management to the house of representatives and senate appropriations and finance committees and the legislative commission on waste management. *In even-numbered years the report may be included in the solid waste management policy report required under section 115A.411.*

Sec. 25. Minnesota Statutes 1990, section 115A.64, subdivision 2, is amended to read:

Subd. 2. [PETITION CONTENTS.] (a) A petition requesting establishment or alteration of a waste district ~~shall~~ *must* contain the information the office director may require, including at least the following:

(a) (1) the name of the proposed district;

(b) (2) a description of the territory and political subdivisions within and the boundaries of the proposed district or alteration thereto, along with a

map showing the district or alteration;

(e) (3) resolutions of support for the district, as proposed to the office, from the governing body of each of the petitioning counties;

(d) (4) a statement of the reason, necessity, and purpose for the district, plus a general description of the solid waste management improvements and facilities contemplated for the district showing how its activities will accomplish the purpose of the district and the purposes for waste resource districts stated in sections 115A.62 to 115A.72;

(e) (5) articles of incorporation stating:

(i) the powers of the district consistent with sections 115A.62 to 115A.72, including a statement of powers proposed pursuant to sections 115A.70 and, 115A.71, and section 27; and

(ii) provisions for representation and election of the board of directors of the district.

(b) After the petition has been filed, no petitioner may withdraw from it except with the written consent of all other petitioners filed with the office for the district.

Sec. 26. Minnesota Statutes 1990, section 115A.67, is amended to read:

115A.67 [ORGANIZATION OF DISTRICT.]

~~The governing body of each county wholly or partly within the district shall appoint two persons to serve on the first board of directors of the district, except that in the case of a district having territory within only two counties each county may appoint three persons. At least one person appointed by each county shall be an elected official of a local government unit having territory within the district. The first chair of the board of directors shall be appointed from outside the first board of directors by the director of the office of waste management. The first chair shall serve for a term of two years. Thereafter~~

*Subdivision 1.* [BOARD.] The chair shall be elected from outside the board of directors by majority vote of the board of directors. *The first chair shall serve for a term of two years.* Members of the board of directors shall be residents of the district.

*Subd. 2.* [FIRST MEETING.] The first meeting of the board of directors shall be held at the call of the chair, after notice, for the purpose of proposing the bylaws, electing officers and for any other business that comes before the meeting. The bylaws of the district, and amendments thereto, shall be adopted by a majority vote of the board of directors unless the certificate of incorporation requires a greater vote.

*Subd. 3.* [BYLAWS.] The bylaws shall state:

(a) the manner and time of calling regular meetings of the representatives and the board of directors, not less than once annually;

(b) the title, manner of selection, and term of office of officers of the district;

(c) the term of office of members of the board of directors, the manner of their removal, and the manner of filling vacancies on the board of directors;

(d) the powers and duties of the board of directors consistent with the

order and articles of incorporation establishing the district;

(e) the definition of a quorum for meetings of the board of directors, which shall be not less than a majority of the members;

(f) the compensation and reimbursement for expenses for members of the board of directors, which shall not exceed that provided for in section 15.0575, subdivision 3; and

(g) such other provisions for regulating the affairs of the district as the board of directors shall determine to be necessary.

Sec. 27. [115A.715] [SOLID WASTE AUTHORITY.]

*A district has all the authority of a county for solid waste management purposes that is given to counties under this chapter and chapters 400 and 473, except the authority to issue general obligation bonds or to levy property taxes. A district has the authority of a county to issue general obligation bonds and to levy property taxes only if and only to the extent that the governing body of each county that is a member of the district agrees to delegate the authority to the district. The delegation of the authority is irrevocable unless the governing body of each county that is a member of the district agrees to the revocation.*

Sec. 28. Minnesota Statutes 1990, section 115A.83, is amended to read:

115A.83 [EXEMPTION.]

The designation may not apply to or include:

(1) materials that are ~~separated~~ *separate* from solid waste and recovered for reuse in their original form or for use in manufacturing processes; ~~or~~

(2) materials that are processed at a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority; *or*

(3) *materials that are separated at a permitted transfer station located within the boundaries of the designating authority for the purpose of recycling the materials if: (i) the transfer station was in operation on January 1, 1991; or (ii) the materials are not being separated for recycling at the designated facility.*

*For the purposes of this section, "manufacturing processes" does not include the treatment of waste after collection for the purpose of biological modification.*

Sec. 29. [115A.831] [DETERMINATION OF EXEMPTION.]

*The district or county may require a person claiming an exemption under section 115A.83, clause (1), for waste materials generated within the district or county to provide information describing the waste materials; the sources and quantities of the waste materials; the reuse or manufacturing processes and locations, including storage and intermediate processing, products produced, and purchasers of the products; and other information that the district or county may require. The information must be provided within 30 days of the date as of which the exemption is claimed. The district or county may deny the claimed exemption if it determines that, within a reasonable time after collection, the materials will not be recovered for reuse in their original form or for use in manufacturing processes. If the claimed exemption is denied, the designation applies if the materials are mixed municipal solid waste.*

Sec. 30. Minnesota Statutes 1990, section 115A.84, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate:

(1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and

(2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of indiscriminate land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available;

(5) other feasible and prudent waste management alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(6) whether the designation takes into account and promotes local, regional, and state waste management goals.

(c) When the plan proposes designation to disposal facilities, the designation plan must also evaluate:

(1) whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;

(2) whether the designation will better serve to protect public health and safety;

(3) the impacts on other disposal facilities inside and outside the area;

(4) whether the designation is necessary to promote regional waste management programs and cooperation; and

(5) the extent to which the design and operation of the disposal facility protects the environment including whether it is permitted under current agency rules and whether any portion of the facility's site is listed under section 115B.17, subdivision 13.

(d) When the plan proposes designation to a disposal facility, mixed municipal solid waste that is subject to a contract between a hauler and a different facility that is in effect on the date notice is given under section 115A.85, subdivision 2, is not subject to the designation during the contract period *or for one year after the date notice is given, whichever period is*

*shorter.*

Sec. 31. Minnesota Statutes 1990, section 115A.84, is amended by adding a subdivision to read:

*Subd. 5. [EXCLUSION OF MATERIALS SEPARATED AT CERTAIN FACILITIES.] (a) A county or district shall exclude from the designation, subject to approval by the reviewing authority, materials that the county or district determines will be separated for recycling at a transfer station located outside of the area subject to designation if:*

*(1) the transfer station was in operation on January 1, 1991;*

*(2) the materials are collected as part of mixed municipal solid waste from waste generators and delivered to the transfer station by the same person that owns the transfer station;*

*(3) the residual materials left after separation of the recyclable materials are delivered to a facility designated by the county or district;*

*(4) the owner of the transfer station, as a waste collector, is in compliance with each designation ordinance that applies to that collector and has been in compliance for at least six months prior to filing for an exclusion;*

*(5) the materials separated at the transfer station are delivered to a recycler and are actually recycled; and*

*(6) the owner or operator of the transfer station agrees to report and actually reports to the county or district the quantities of materials, by categories to be specified by the county or district, that are recycled by the facility that otherwise would have been subject to designation.*

*(b) In order to qualify for the exclusion in this subdivision, the owner of a transfer station shall file with the county or district a written description of the transfer station, its operation, location, and waste supply sources, the quantity of waste delivered to the transfer station by the owner of the transfer station, the market for the materials separated for recycling, where the recyclable materials are delivered for recycling, and other information the county or district may reasonably require. Information received by the county or district is nonpublic data as defined in section 13.02, subdivision 9.*

*(c) A county or district that grants an exclusion under this subdivision may revoke the exclusion if any of the conditions of paragraph (a) are not being met.*

Sec. 32. Minnesota Statutes 1990, section 115A.86, subdivision 5, is amended to read:

*Subd. 5. [AMENDMENTS.] (a) Except for an amendment authorized under section 115A.86, subdivision 6, amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance*

to the reviewing authority for approval. If the reviewing authority does not act within 90 days after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) *Except for an amendment authorized under section 115A.86, subdivision 6, prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.*

Sec. 33. Minnesota Statutes 1990, section 115A.86, is amended by adding a subdivision to read:

*Subd. 6. [PENALTIES.] (a) A county may include in its designation ordinance civil and criminal penalties for violation of the ordinance. A civil penalty adopted by the county may not exceed a fine of \$10,000 per day of violation plus the cost of mitigating any damages caused by the violation and the attorney fees and court costs incurred by the county to enforce the ordinance.*

*(b) Subdivision 5 does not govern a designation ordinance amendment adopted under this subdivision.*

Sec. 34. Minnesota Statutes 1990, section 115A.882, is amended to read:

115A.882 [INSPECTION OF RECORDS; INSPECTION.]

*Subdivision 1. [DEFINITIONS.] For the purposes of this section:*

*(1) "origin" means a general geographical description that at a minimum names the local governmental unit within a county from which waste was collected; and*

*(2) "type" means a best estimate of the percentage of each truck load that consists of residential, commercial, industrial, construction, or any other general type of waste.*

*Subd. 2. [RECORDS; COLLECTORS; FACILITIES.] Each person who collects solid waste in a county in which a designation ordinance is in effect shall maintain records regarding the volume or weight, type, and origin of waste collected. Each day, a record of the origin, type, and weight of the waste collected that day and the identity of the waste facility at which that day's collected waste is deposited must be kept on the waste collection vehicle. If the waste is measured by volume at the waste facility at which it is deposited, the record may show the volume rather than the weight of the waste.*

*The owner or operator of a solid waste facility shall maintain records regarding the weight of the waste, or the volume of the waste if the waste is measured by volume; the general type or types of waste; the origin of the waste delivered to the facility; the date and time of delivery; and the name of the waste collector that delivered the waste to the facility.*

*Subd. 3. [INSPECTION.] A person authorized by a county in which a designation ordinance is effective may, upon presentation of identification and without a search warrant, inspect or copy records of an owner or operator of any waste facility in the state that contain information regarding the volume, type, origin, and weight of the waste received by the facility, and the date and time of weighing. A person who fails to open for inspection and copying the records referred to in this section is guilty of a misdemeanor, anywhere in the state:*



(1) upon presentation of identification and without a search warrant, inspect or copy the records required to be kept on a waste collection vehicle under subdivision 2 and inspect the waste on the vehicle at the time of deposit of the waste at a facility;

(2) upon presentation of identification and without a search warrant, inspect or copy the records of an owner or operator of a solid waste facility that are required to be maintained under subdivision 2;

(3) request, in writing, copies of records of a solid waste collector that indicate the type, origin, and weight or, if applicable, the volume of waste collected, the identity of the facility at which the waste was deposited, and the date of deposit at the facility; and

(4) upon presentation of identification and without a search warrant, inspect or copy the records described in clause (3) at the central record-keeping location of the waste collector only if the collector fails to provide copies of the records within 15 days of receipt of a written request for them.

Records or information received, inspected, or copied by a county under this section are classified as nonpublic data as defined in section 13.02, subdivision 9, and may be used by the county solely for enforcement of a designation ordinance. A waste collector or the owner or operator of a waste facility shall maintain business records needed to comply with this section for the same period of time that is required for tax purposes.

Sec. 35. Minnesota Statutes 1990, section 115A.9162, subdivision 2, is amended to read:

Subd. 2. [GRANTS.] The office may make grants to ~~counties~~ local government units for installation of storage tanks to collect used oil. To be eligible for a grant, a ~~county~~ applicant must obtain approval from the commissioner of the agency for the type of tank to be used, the location and installation of the tank, and the proposed ongoing maintenance and monitoring of the collection site. A tank may be located on public or private property and must be made available to the public for used oil disposal. A grant for a single tank may not exceed \$2,500 and a ~~county~~ local government unit may not receive more than \$5,000 in grants for storage tanks.

Sec. 36. Minnesota Statutes 1990, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

Subdivision 1. [FEE.] (a) A county may impose a fee, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste or construction debris located within the county. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

(b) Fees for construction debris facilities may not exceed 50 cents per cubic yard. Revenues from the fees must offset any financial assurances required by the county for a construction debris facility. The maximum revenue that may be collected for a construction debris facility must be determined by multiplying the total permitted capacity of the facility by 15 cents per cubic yard. Once the maximum revenue has been collected for a facility, the fee may no longer be imposed.

Subd. 2. [ADDITIONAL FEE.] A county may impose a fee, by cubic

*yard or the equivalent of waste collected outside the county, in addition to a fee imposed under subdivision 1, on operators of mixed municipal solid waste disposal facilities located within the county. The fee may not exceed \$2 per cubic yard or the equivalent. The fee does not apply to waste collected by persons licensed to operate solid waste collection services who comply with designation requirements and are referred to another county's solid waste disposal facility due to temporary closure of the designated processing or disposal facility. Revenue generated from the additional fee must be credited to the county general fund and may be used only for the purposes listed in subdivision 1.*

*Subd. 3. [EXEMPTIONS.] (a) Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from the any fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.*

*(b) A facility permitted for the disposal of construction debris is exempt from 25 percent of a fee imposed under subdivision 1 if the facility has implemented a recycling program approved by the county and 25 percent if the facility contains a liner and leachate collection system approved by the agency.*

Sec. 37. Minnesota Statutes 1990, section 115A.921, is amended to read:

**115A.921 [CITY OR TOWN FEE AUTHORITY.]**

*Subdivision 1. [MIXED MUNICIPAL SOLID WASTE.] A city or town may impose a fee, not to exceed \$1 per cubic yard of waste, or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the city or town. The revenue from the fees must be credited to the city or town general fund. Revenue produced by 25 cents of the fee must be used only for purposes of landfill abatement or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. Revenue produced by the balance of the fee may be used for any general fund purpose.*

*Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from the fee imposed by a city or town under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate city or town.*

*Subd. 2. [CONSTRUCTION DEBRIS.] (a) A city or town may impose a fee, not to exceed 50 cents per cubic yard of waste, or its equivalent, on operators of facilities for the disposal of construction debris located within the city or town. The revenue from the fees must be credited to the city or town general fund. Two-thirds of the revenue must be used only for purposes of landfill abatement or for purposes of mitigating and compensating for*

*the local risks, costs, and other adverse effects resulting from the facilities.*

*(b) A facility permitted for the disposal of construction debris is exempt from 25 percent of a fee imposed under this subdivision if the facility has implemented a recycling program that has been approved by the county and 25 percent if the facility contains a liner and leachate collection system approved by the agency.*

*(c) Two-thirds of the revenue from fees collected under this subdivision must offset any financial assurances required by the city or town for a construction debris facility.*

*(d) The maximum revenue that may be collected under this subdivision must be determined by multiplying the total permitted capacity of a facility by 15 cents per cubic yard. Once the maximum revenue has been collected for a facility, the fees in this subdivision may no longer be imposed.*

Sec. 38. Minnesota Statutes 1990, section 115A.923, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE.] (a) The operator of a mixed municipal solid waste disposal facility outside of the metropolitan area shall ~~pay~~ charge a fee on solid waste accepted and disposed of at the facility as follows:

(1) a facility that weighs the waste that it accepts must ~~pay~~ charge a fee of \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility;

(2) a facility that does not weigh the waste but that measures the volume of the waste that it accepts must ~~pay~~ charge a fee of \$2 per cubic yard of waste accepted at the entrance of the facility; and

(3) waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse is exempt from the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed.

(b) To qualify for exemption under paragraph (a), clause (3), waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 39. Minnesota Statutes 1990, section 115A.923, subdivision 1a, is amended to read:

Subd. 1a. [PAYMENT OF THE GREATER MINNESOTA LANDFILL CLEANUP FEE.] The operator of a disposal facility in greater Minnesota shall ~~pay~~ remit the ~~fee~~ ~~required~~ fees collected under subdivision 1 to the county or sanitary district where the facility is located, except that the operator of a facility that is owned by a statutory or home rule city shall ~~pay~~ remit the ~~fee~~ fees to the city that owns the facility. The county, city, or sanitary district may use the revenue from the ~~fee~~ fees only for the purposes specified in section 115A.919.

Sec. 40. Minnesota Statutes 1990, section 115A.93, subdivision 3, is amended to read:

Subd. 3. [LICENSE REQUIREMENTS.] (a) A licensing authority shall require to the extent possible that charges for collection of mixed municipal solid waste vary with the volume or weight of the waste collected.

(b) A licensing authority may impose requirements that are consistent with the county's solid waste policies as a condition of receiving and maintaining a license.

*(c) A licensing authority shall prohibit mixed municipal solid waste collectors from imposing a greater charge on residents who recycle than on residents who do not recycle.*

Sec. 41. Minnesota Statutes 1990, section 115A.93, is amended by adding a subdivision to read:

*Subd. 4. [DATE CERTAIN.] By January 1, 1993, each county shall ensure that each city or town within the county requires each mixed municipal solid waste collector that provides curbside collection service in the city or town to obtain a license under this section or the county shall directly require and issue the licenses. No person may collect mixed municipal solid waste after January 1, 1993, without a license.*

Sec. 42. Minnesota Statutes 1990, section 115A.931, is amended to read:

115A.931 [LAND DISPOSAL OF YARD WASTE PROHIBITION.]

(a) Except as authorized by the agency, in the metropolitan area after January 1, 1990, and outside the metropolitan area after January 1, 1992, a person may not ~~dispose of~~ place yard waste:

- (1) in mixed municipal solid waste;
- (2) in a disposal facility; or
- (3) in a resource recovery facility except for the purposes of composting or co-composting.

(b) Yard waste subject to this subdivision is garden wastes, leaves, lawn cuttings, weeds, and prunings.

Sec. 43. [115A.935] [SOLID WASTE GENERATED OUTSIDE OF MINNESOTA.]

*No person shall transport into or deposit in this state, for the purpose of processing or disposal, solid waste that was generated in another state, unless the waste:*

*(1) meets all the solid waste management regulations of the state in which it was generated; and*

*(2) contains none of the items specifically banned from mixed municipal solid waste in this state, including waste tires, used motor oil, waste lead acid batteries, yard waste, major appliances, and any other item specifically banned from the waste stream under this chapter.*

Sec. 44. Minnesota Statutes 1990, section 115A.94, subdivision 4, is amended to read:

Subd. 4. [CITIES AND TOWNS; NOTICE; PLANNING.] (a) At least 180 days before implementing an ordinance, franchise, license, contract or other means of organizing collection, a city or town, by resolution of the governing body, shall announce its intent to organize collection and invite the participation of interested persons, including persons licensed to operate

solid waste collection services, in planning and establishing the organized collection system.

(b) The resolution of intent must be adopted after a public hearing. The hearing must be held at least two weeks after public notice and mailed notice to persons known by the city or town to be operating solid waste collection services in the city or town. The failure to give mailed notice to persons or defect in the notice does not invalidate the proceedings, provided a bona fide effort to comply with notice requirements has been made.

(c) During a 90-day period following the resolution of intent, the city or town shall develop or supervise the development of plans or proposals for organized collection. During this 90-day planning period, the city or town shall invite and employ the assistance of persons licensed as of the date of the resolution of intent to operate solid waste collection services in the city or town. Failure of a licensed collector to participate in the 90-day planning period, when the city or town has made a bona fide effort to provide the person the opportunity to participate, does not invalidate the planning process.

(d) For 90 days after the date ending the planning period required under paragraph (c), the city or town shall discuss possible organized collection arrangements with all licensed collectors operating in the city or town who have expressed interest. If the city or town is unable to agree on an organized collection arrangement with a majority of the licensed collectors who have expressed interest, or upon expiration of the 90 days, the city or town may propose implementation of an alternate method of organizing collection as authorized in subdivision 3.

(e) The city or town shall make specific findings that:

(1) describe in detail the procedures it used to plan and to attempt implementation of organized collection through an arrangement with collectors who expressed interest; and

(2) evaluate the proposed organized collection method in light of at least the following standards: achieving the stated organized collection goals of the city or town; minimizing displacement of collectors; ensuring participation of all interested parties in the decision-making process; and maximizing efficiency in solid waste collection.

(f) Upon request, the city or town shall provide mailed notice of all proceedings on the organization of collection in the city or town.

*(g) If the city or town and all the persons licensed to operate mixed municipal solid waste collection services and doing business in the city or town agree on the plan, the city or town may implement the plan without regard to the 180-day period specified in paragraph (a).*

Sec. 45. [115A.941] [SOLID WASTE; REQUIRED COLLECTION.]

*(a) Except as provided in paragraph (b), each city and town with a population of 10,000 or more shall ensure that every residential household and business in the city or town has solid waste collection service. To comply with this section, a city or town may organize collection, provide collection, or require by ordinance that every household and business has a contract for collection services. An ordinance adopted under this section must provide for enforcement.*

*(b) A city or town with a population of 10,000 or more may exempt a*

*residential household or business in the city or town from the requirement to have solid waste collection service if the household or business ensures that an environmentally sound alternative is used.*

Sec. 46. Minnesota Statutes 1990, section 115A.9561, is amended to read:

115A.9561 [MAJOR APPLIANCES.]

*Subdivision 1. [PROHIBITIONS.] A person may not:*

- (1) place major appliances in mixed municipal solid waste; or*
- (2) dispose of major appliances in or on the land or in a solid waste processing or disposal facility after July 1, 1990. The agency may enforce this section pursuant to section 115.071.*

*Subd. 2. [RECYCLING REQUIRED.] Major appliances must be recycled or reused. Each county shall ensure that its residents have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:*

- (1) the removal of capacitors that may contain PCBs;*
- (2) the removal of ballasts that may contain PCBs;*
- (3) the removal of chlorofluorocarbon refrigerant gas; and*
- (4) the recycling or reuse of the metals.*

Sec. 47. 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 separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal of that waste.*

*(b) Each county required to submit its plan to the 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.*

*(d) The office shall review the plans submitted under this subdivision in cooperation with the agency.*

Sec. 48. [115A.965] [PROHIBITIONS ON SELECTED TOXICS IN PACKAGING.]

*Subdivision 1. [PACKAGING.] (a) As soon as feasible but not later than August 1, 1993, no manufacturer or distributor may sell or offer for sale or for promotional purposes in this state packaging or a product that is contained in packaging if the packaging itself, or any inks, dyes, pigments, adhesives, stabilizers, or any other additives to the packaging contain any lead, cadmium, mercury, or hexavalent chromium that has been intentionally*

*introduced as an element during manufacture or distribution of the packaging. Intentional introduction does not include the incidental presence of any of the prohibited elements.*

*(b) For the purposes of this section, "distributor" means a person who imports packaging or causes packaging to be imported into the state.*

*Subd. 2. [TOTAL TOXICS CONCENTRATION LEVELS.] The total concentration level of lead, cadmium, mercury, and hexavalent chromium added together in any packaging must not exceed the following amounts:*

- (1) 600 parts per million by weight by August 1, 1993;*
- (2) 250 parts per million by weight by August 1, 1994; and*
- (3) 100 parts per million by weight by August 1, 1995.*

*Subd. 3. [EXEMPTIONS.] (a) The following packaging is exempt from the requirements of subdivisions 1 and 2:*

*(1) packaging that has been delivered to a manufacturer or distributor prior to August 1, 1993, or packaging that contains a code or other indication of the date of manufacture and that was manufactured prior to August 1, 1993; and*

*(2) until August 1, 1997, packaging that would not exceed the total toxics concentration levels under subdivision 2 but for the addition in the packaging of materials that have fulfilled their intended use and have been discarded by consumers.*

*(b) Packaging to which lead, cadmium, mercury, or hexavalent chromium has been intentionally introduced in the manufacturing process may be exempted from the requirements of subdivisions 1 and 2 by the commissioner of the pollution control agency if:*

*(1) the use of the toxic element in the packaging is required by federal or state health or safety laws; or*

*(2) there is no feasible alternative for the packaging because the toxic element used is essential to the protection, safe handling, or function of the contents of the package.*

*The commissioner may grant an exemption under this paragraph for a period not to exceed two years upon application by the packaging manufacturer that includes documentation showing that the criteria for an exemption are met. Exemptions granted by the commissioner may be renewed upon reapplication every two years.*

*Subd. 4. [CERTIFICATE OF COMPLIANCE.] (a) Beginning August 1, 1993, each manufacturer and distributor of packaging for sale or other distribution in this state shall certify to each of their purchasers or receivers that the packaging purchased or received complies with this section. The certificate of compliance must be in writing and must be signed by an official of the manufacturer or distributor. For packaging that has received an exemption under subdivision 3, the certificate of compliance must list the amount of total toxics concentration in the packaging, the specific toxics present, and the basis for the exemption.*

*(b) The manufacturer or distributor shall keep on file a copy of the certificate of compliance for each type of packaging manufactured or distributed and shall make copies available to the commissioner of the pollution control agency or the attorney general on request, or to any member of the*

*public within 60 days of receipt of a written request that specifies the type of packaging for which the information is requested.*

*(c) Each purchaser or receiver, except a retailer, of packaging shall retain the certificate of compliance for as long as the packaging is in use.*

*(d) If a manufacturer or distributor of packaging reformulates the packaging or creates new packaging, the manufacturer or distributor shall provide an amended or new certificate of compliance to purchasers and receivers for the reformulated or new packaging.*

*Subd. 5. [ENFORCEMENT.] This section may be enforced under sections 115.071 and 116.072. A person who fails to comply with this section is subject to a civil fine of up to \$5,000 per day of violation, court costs and attorney fees, and all costs associated with the separate collection, storage, transfer, and appropriate processing or disposal of nonconforming packaging, to be determined by the true cost of those activities per ton times the approximate actual tonnage of nonconforming packaging sold or otherwise distributed in the state.*

*Subd. 6. [RULES.] The commissioner of the pollution control agency, in consultation with the director of the office of waste management, shall adopt rules to implement this section.*

Sec. 49. Minnesota Statutes 1990, section 115A.97, subdivision 4, is amended to read:

Subd. 4. [INTERIM PROGRAM.] (a) Incinerator ash is considered special waste for an interim period which expires on the occurrence of the earliest of the following events:

(1) The United States Environmental Protection Agency establishes testing and disposal requirements for incinerator ash;

(2) The agency adopts the rules required in subdivision 3; or

(3) June 30, ~~1994~~ 1993.

(b) As a special waste, incinerator ash must be stored separately from mixed municipal solid waste with adequate controls to protect the environment as provided in agency permits. For the interim period, the agency, in cooperation with generators of incinerator ash and other interested parties, shall establish a temporary program to test, monitor, and store incinerator ash. The program must include separate testing of fly ash, bottom ash, and combined ash unless the agency determines that because of physical constraints at the facility separate samples of fly ash and bottom ash cannot be reasonably obtained in which case only combined ash must be tested. Incinerator ash stored during the interim is subject to the rules adopted pursuant to subdivision 3 and to the provisions of chapter 115B.

Sec. 50. Minnesota Statutes 1990, section 115B.04, subdivision 4, is amended to read:

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] (a) The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10.

(b) When a political subdivision is liable as an owner or operator of a disposal facility, the liability of each political subdivision is limited to



\$400,000 at each facility unless the facility was owned or operated under a valid joint powers agreement by three or more political subdivisions, in which case the aggregate liability of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.

(c) The limits on the liability of a political subdivision for ownership or operation of a disposal facility apply to the costs of ~~remedial~~ response action incurred between the date a request for response action is issued by the agency and the date one year after the construction certificate of completion is approved by the commissioner, excluding *the costs incurred during of* negotiation of a consent order agreement.

(d) When a political subdivision takes ~~remedial~~ response action as the owner or operator of a disposal facility between the dates in paragraph (c), it may receive, after approval by the agency, reimbursement of any amount spent pursuant to an approved work plan that exceeds the applicable liability limit specified in this subdivision.

Sec. 51. Minnesota Statutes 1990, section 115B.22, subdivision 8, is amended to read:

Subd. 8. [REVIEW OF TAX BY LCWM.] ~~After the office of waste management submits the plan required under section 115A.11 to the legislative commission on waste management, The commission shall legislative commission on waste management shall periodically review the taxes and tax rates imposed under this section in light of the objectives and recommendations of the plan,~~ and shall recommend to the standing tax committees of both houses of the legislature any changes in the taxes or tax rates which are needed to assist or encourage implementation of the strategies adopted by the state for management of hazardous waste.

Sec. 52. 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 projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency 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.

(c) *Within 30 days of receipt by the agency of a permit application for a solid waste facility, the commissioner shall notify the applicant in writing whether the application is complete and if not, what items are needed to make it complete, and shall give an estimate of the time it will take to process the application. Within 180 days of receipt of a completed application, the agency shall approve, disapprove, or delay decision on the application, with*

*reasons for the delay, in writing.*

**Sec. 53. [116.90] [REFUSE DERIVED FUEL.]**

*Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.*

*(b) "Minor modification" means a physical or operational change that does not increase the rated energy production capacity of a solid fuel fired boiler and which does not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.*

*(c) "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.*

*(d) "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.*

*Subd. 2. [USE OF REFUSE DERIVED FUEL.] (a) Existing or new solid fuel fired boilers may utilize refuse derived fuel in an amount up to 30 percent by weight of the fuel feed stream under the following conditions:*

*(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;*

*(2) utilization of refuse derived fuel does not cause a violation of emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler;*

*(3) the solid fuel fired boiler has a valid permit to operate; and*

*(4) the refuse derived fuel is produced by a facility for which a permit was issued by the agency before June 1, 1991.*

*(b) A facility that produces refuse derived fuel that is sold for use in a solid fuel fired boiler may accept waste for processing only from counties that provide for the removal of household hazardous waste from the waste.*

**Sec. 54. [239.82] [SPECIFICATIONS FOR RECYCLED CFCs.]**

*Subdivision 1. [DEFINITION.] "CFCs" has the meaning given in section 116.70, subdivision 3.*

*Subd. 2. [STANDARD.] (a) Except as provided in paragraph (b), recycled CFCs that are used to replace or supplement CFCs in refrigerant applications, including but not limited to refrigerators, air conditioning units, freezers, and dehumidifiers, must comply with the 1988 Standard for Specifications for Fluorocarbon Refrigerants (standard 700) of the Air Conditioning and Refrigeration Institute, to the extent the standard applies to the recycled CFCs.*

*(b) Recycled CFCs that are used to replace or supplement CFCs in mobile air conditioning equipment must comply with the 1991 Standard of Purity for Use in Mobile Air Conditioning Systems of the Society of Automotive Engineers.*

*Subd. 3. [WARRANTIES NOT AFFECTED.] Use of recycled CFCs that meet the standards in this section does not affect a manufacturer's warranty of a product's condition and fitness for use, including any terms or conditions*

*precedent to the enforcement of obligations under the warranty.*

Sec. 55. Minnesota Statutes 1990, section 325E.042, subdivision 2, is amended to read:

Subd. 2. [NONDEGRADABLE PLASTIC.] A person may not sell, offer for sale, or give to consumers beverages or motor oil containers held together by *connected rings made of nondegradable plastic material.*

Sec. 56. Minnesota Statutes 1990, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGE; COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers;  
 (2) charge a fee of \$5 per battery sold unless the customer returns a used battery to the retailer; and

(3) post written notice, ~~which must be at least 8-1/2 inches by 11 inches in size and must contain the universal recycling symbol and the following language:~~

- (i) ~~“It is illegal to put a motor vehicle battery in the garbage.”;~~  
 (ii) ~~“Recycle your used batteries.”; and~~  
 (iii) ~~“State law requires us to accept motor vehicle batteries for recycling.”~~  
*in accordance with section 325E.1151.*

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

Sec. 57. Minnesota Statutes 1990, section 325E.1151, subdivision 3, is amended to read:

Subd. 3. [RETAILERS MUST POST NOTICES.] (a) A person who sells lead acid batteries at retail must post the notice in paragraph (b) in a manner clearly visible to a consumer making purchasing decisions.

(b) The notice must be at least 8-1/2 inches by 11 inches and contain the universal recycling symbol and state:

**“NOTICE: USED BATTERIES**

This retailer is required to accept your used lead acid batteries, **EVEN IF YOU DO NOT PURCHASE A BATTERY.** When you purchase a new battery, you will be charged an additional \$5 unless you return a used battery within 30 days.

~~Improper disposal of a lead acid battery~~ *It is a crime to put a motor vehicle battery in the garbage.”*

Sec. 58. Minnesota Statutes 1990, section 400.08, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, “solid waste management services” includes *recycling and waste reduction services*, collection, processing, and disposal of solid waste, closure and postclosure care of a solid waste facility, and response, as defined in section 115B.02, to releases from a solid waste facility or closed solid waste facility.

Sec. 59. Minnesota Statutes 1990, section 458D.07, subdivision 5, is amended to read:

Subd. 5. ~~[REGULATION OF COLLECTION PROCESS.]~~ Nothing contained in this chapter shall be construed to permit the district to engage in the collection of solid waste. ~~Carlton county and St. Louis county or the local units of government designated by such counties shall continue to have the authority to regulate the collection of solid waste, and nothing in this chapter shall be construed to permit the district to regulate the collection of solid waste, unless such counties or local units of government or any of them shall adopt a resolution authorizing the district to adopt such regulations to be effective within the territory of such county or local governmental units.~~

Sec. 60. Minnesota Statutes 1990, section 458D.07, is amended by adding a subdivision to read:

*Subd. 5a. [RECYCLING.] The district may require recycling and regulate the collection of recyclable materials in the district.*

Sec. 61. Minnesota Statutes 1990, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. ~~[SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.]~~ (a) After requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number of sites and the capacity of sites ~~to be acquired needed~~ within the metropolitan area for solid waste disposal facilities ~~in accordance with section 473.833.~~

(b) The council shall adopt a schedule of disposal capacity to be developed ~~in each county~~ within the metropolitan area in five-year increments for a period of at least 20 years from adoption of development schedule revisions. The schedule may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan; ~~except as the council deems necessary to allow reallocation of capacity as required by this subdivision.~~

(c) The council shall make the implementation of elements of the schedule, ~~including the disposal capacity allocated to each county,~~ contingent on actions of each county in adopting and implementing abatement plans pursuant to section 473.803, subdivision 1b. The council may review the development schedule every year and revise the development schedule ~~and the allocation of disposal capacity required for each county~~ based on the progress made ~~in that county~~ in the implementation of the council's abatement plans and achievement of metropolitan and local abatement objectives. The council shall review and revise, by resolution following public hearing, the development schedule ~~and the allocation of disposal capacity required~~ based on significant changes in the landfill capacity of the metropolitan area. The schedule must include procedures and criteria for making revisions. ~~A site for which an environmental impact statement was being prepared as of January 1, 1989, under section 473.833, subdivision 2a, and that is not selected under section 473.833, subdivision 3, must be eliminated from the inventory of solid waste disposal sites established under section 473.149, subdivision 2b, and may not be considered as a waste disposal site in the future.~~

(d) ~~The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833.~~ The schedule must include standards and procedures for council certification of need pursuant to section 473.823. The schedule must *also* include a ~~facility~~ closure schedule and

plans for postclosure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule must also include a closure schedule and plans for postclosure management for of facilities, including facilities in existence before the adoption of the development schedule.

Sec. 62. Minnesota Statutes 1990, section 473.149, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The council shall establish an advisory committee to aid in the preparation of the policy plan, the performance of the council's responsibilities under subdivisions 2 to 2e, the review of county master plans and reports and applications for permits for waste facilities, under sections 473.151, 473.801 to 473.823, and 473.831, and 473.833, and other duties determined by the council. The committee shall consist of one-third citizen representatives, one-third representatives from metropolitan counties and municipalities, and one-third representatives from private waste management firms. From at least the date that the council adopts the inventory under subdivision 2b to the date that the council adopts a development schedule under subdivision 2e, for the purpose only of participating in the preparation of the legislative report required by subdivision 2e, the land disposal abatement plan required by subdivision 2d, and the development schedule required by subdivision 2e, additional members shall be included on the advisory committee sufficient to assure that at least one-third of the members of the committee are residents of cities or towns containing eligible solid waste disposal sites included in the council's disposal site inventory, and that counties containing three sites have at least two additional members and counties containing one or two sites have at least one additional member. A representative from the pollution control agency, one from the office of waste management established under section 115A.04, and one from the Minnesota health department shall serve as ex officio members of the committee.

Sec. 63. [473.8011] [METROPOLITAN AGENCY RECYCLING GOAL.]

*By December 31, 1993, the metropolitan council, each metropolitan agency as defined in section 473.121, and the metropolitan mosquito control district established in section 473.702 shall recycle at least 40 percent by weight of the solid waste generated by their offices or other operations. The council shall provide information and technical assistance to the agencies and the district to implement effective recycling programs.*

*By August 1 of each year, the council, each agency, and the district shall submit to the office of waste management a report for the previous fiscal year describing recycling rates, specified by the county in which the agency or operation is located, and progress toward meeting the recycling goal. The office shall incorporate the recycling rates reported in the respective county's recycling rates for the previous fiscal year.*

*If the goal is not met, the council, agency, or district must include in its 1994 report reasons for not meeting the goal and a plan for meeting it in the future.*

Sec. 64. Minnesota Statutes 1990, section 473.803, subdivision 1a, is amended to read:

Subd. 1a. [PROPOSED INVENTORY OF DISPOSAL SITES.] By October 15, 1981, a metropolitan county having a population of less than 300,000, as determined by the 1980 United States Census, shall adopt, by resolution of the county governing body, an inventory of at least three proposed sites in the county suitable for mixed municipal solid waste disposal facilities and shall submit the inventory to the council for approval or disapproval. A metropolitan county having a population greater than 300,000, as determined by the 1980 United States Census, shall adopt, by resolution of the county governing body, an inventory of at least four proposed sites in the county that are suitable for mixed municipal solid waste disposal facilities and shall submit the inventory to the council for approval or disapproval. The council shall evaluate and approve or disapprove each proposed site in accordance with the standards set out in this subdivision. Except as otherwise provided in this subdivision, each site shall satisfy the standards and criteria in federal and state regulations and the council's policy plan for solid waste management. In proposing and approving sites for the inventory, the counties and the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility. Each site shall contain no less than 80 acres and no more than 250 acres. Each proposed site shall be surrounded by a buffer area at least equal to the area of the site. No site shall be adopted by a county or the council as part of an inventory unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on site surveys and investigations conducted by the county. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of any state agency or political subdivision, no land shall be excluded from consideration for inclusion in the inventory except: (1) land where the agency finds that on-site investigations demonstrate that the travel time of water from the surface to groundwater resources is ten years or less; (2) land in a sensitive area, as identified under section 103H.101, subdivision 2; and (3) other land determined by the agency to be intrinsically unsuitable. Each county shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed for the inventory as soon as available. By July 1, 1981 each county shall propose at least the number of sites required for the inventory, and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. Notice of hearings on the director's recommendation shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to the metropolitan council and local government units containing a proposed inventory site. A hearing shall be held in each metropolitan county and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the administrative law judge's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the county and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the administrative law judge shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly within 90 days of the county's proposal of a site. The agency

shall not be required to promulgate rules pursuant to chapter ~~15~~ 14 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. The council shall evaluate each site with respect to local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities and other services and facilities appropriate to land disposal facilities, the quality of other potential sites, and patterns of generation of solid waste. The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of sites in that county. If in the council's judgment a county does not contain the requisite number of satisfactory sites, the council may reduce the number of sites required of that county.

Sec. 65. Minnesota Statutes 1990, section 473.803, subdivision 2, is amended to read:

Subd. 2. [COUNCIL REVIEW.] The council shall review each master plan or revision thereof to determine whether it is consistent with the council's policy plan. If it is not consistent, the council shall disapprove and return the plan with its comments to the county for revision and resubmittal. The county shall have 90 days to revise and resubmit the plan for council approval. Any county solid waste plan or report approved by the council prior to April 9, 1976, shall remain in effect until a new master plan is submitted to and approved by the council in accordance with this section.

*The council shall review the household hazardous waste management portion of each county's plan in cooperation with the agency.*

Sec. 66. Minnesota Statutes 1990, section 473.803, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] Each metropolitan county shall prepare and submit annually to the council for its approval a report containing information, as the council may prescribe in its policy plan, concerning solid waste generation and management within the county. The report shall include a statement of progress in achieving the land disposal abatement objectives for the county and classes of cities in the county as stated in the council's policy plan and county master plan. The report must list cities that have not satisfied the county performance standards for local abatement required by subdivision 1c. The report must include a schedule of rates and charges in effect or proposed for the use of any solid waste facility owned or operated by or on its behalf, together with a statement of the basis for such charges.

*Each metropolitan city shall prepare and submit an annual report to the county concerning solid waste generation and management within the city and each county shall include in its annual report to the council the information received from cities.*

Sec. 67. Minnesota Statutes 1990, section 473.803, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] By July 1, 1984, each county shall establish a solid waste management advisory committee to aid in the

preparation of the county master plan, any revisions thereof, and such additional matters as the county deems appropriate. The committee must consist of citizen representatives, representatives from towns and cities within the county, and representatives from private waste management firms. The committee must include residents of towns or cities within the county containing solid waste disposal facilities and eligible solid waste disposal sites included in the council's disposal site inventory. Members of the council's solid waste advisory committee who reside in the county are ex officio members of the county advisory committee. A representative of the metropolitan council is an ex officio member of the committee.

Sec. 68. Minnesota Statutes 1990, section 473.811, subdivision 1, is amended to read:

Subdivision 1. [COUNTY ACQUISITION OF FACILITIES.] To accomplish the purpose specified in section 473.803, each metropolitan county may acquire by purchase, lease, gift or condemnation as provided by law, upon such terms and conditions as it shall determine, including contracts for deed and conditional sales contracts, solid waste facilities or properties or easements or development rights, as defined in section 473.833, for solid waste facilities which are in accordance with rules adopted by the agency, the policy plan adopted by the council and the county master plan as approved by the council, and may improve or construct improvements on any property or facility so acquired. No metropolitan city, county or town shall own or operate a hazardous waste facility, *except a facility to manage household hazardous waste*. Each metropolitan county is authorized to levy a tax in anticipation of need for expenditure for the acquisition and betterment of solid waste facilities. If a tax is levied in anticipation of need, the purpose must be specified in a resolution of the county directing that the levy and the proceeds of the tax may be used only for that purpose. Until so used, the proceeds shall be retained in a separate fund or invested in the same manner as surplus in a sinking fund may be invested under section 475.66. The right of condemnation shall be exercised in accordance with chapter 117.

*For the purposes of this section "solid waste facility" includes a facility to manage household hazardous waste.*

Sec. 69. Minnesota Statutes 1990, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county or county site selection authority deems it necessary to the evaluation of a waste facility for enforcement purposes or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 2b, and section 473.803, subdivision 1a, or for selection or final acquisition under section 473.833, or for the accomplishment of any other purpose under sections 473.149, 473.153, and 473.801 to 473.834, the county, county site selection authority or any member, employee, or agent thereof, when authorized by it, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity.

Sec. 70. Minnesota Statutes 1990, section 473.811, subdivision 3, is amended to read:



Subd. 3. [COUNTY OPERATION OF FACILITIES.] Each metropolitan county may operate and maintain solid waste facilities, and for this purpose may employ all necessary personnel, may adopt regulations governing operation, and may establish and collect reasonable, nondiscriminatory rates and charges, *except as authorized under section 115A.919*, for the use of the facilities by any local government unit or person, estimated to be sufficient, with any other moneys appropriated for the purpose, to pay all costs of acquisition, operation and maintenance. Each metropolitan county may use itself or sell all or any part of materials or energy recovered from solid waste to private interests or public agencies for consumption or reuse by them. Section 471.345 and Laws 1951, chapter 556, as amended shall not apply to the sale of the materials or energy.

Sec. 71. Minnesota Statutes 1990, section 473.811, subdivision 4a, is amended to read:

Subd. 4a. [ORDINANCES; GENERAL CONDITIONS; RESTRICTIONS; APPLICATION.] Ordinances of counties and local government units related to or affecting waste management shall embody plans, policies, rules, standards and requirements adopted by any state agency authorized to manage or plan for or regulate the management of waste and the waste management plans adopted by the council and shall be consistent with county master plans approved by the council. Except as provided in this subdivision, ~~a metropolitan county may acquire a site and buffer area for a solid waste disposal facility anywhere within the county without complying with local ordinances, if the action is approved by the council as being taken pursuant to the policy plan and the development schedule adopted under section 473.149, subdivision 2e, and the provisions of section 473.833, and the a~~ county may establish and operate or contract for the establishment or operation of a *solid waste disposal facility at the site* without complying with local ordinances, if the council certifies need under section 473.823, subdivision 6. With the approval of the council, local government units may impose and enforce reasonable conditions respecting the construction, operation, inspection, monitoring, and maintenance of the disposal facilities. No local government unit shall prevent the establishment or operation of any solid waste facility in accordance with the council's decision under section 473.823, subdivision 5, except that, with the approval of the council, the local government unit may impose reasonable conditions respecting the construction, inspection, monitoring, and maintenance of a facility.

Sec. 72. Minnesota Statutes 1990, section 473.811, subdivision 5, is amended to read:

Subd. 5. [ORDINANCES; SOLID WASTE COLLECTION AND TRANSPORTATION.] Each metropolitan county may adopt ordinances governing the collection of solid waste. A county may adopt, but may not be required to adopt, an ordinance that requires the separation from mixed municipal waste, by generators before collection, of materials that can readily be separated for use or reuse as substitutes for raw materials or for transformation into a usable soil amendment. Each local unit of government within the metropolitan area shall adopt an ordinance governing the collection of solid waste within its boundaries. If the county within which it is located has adopted a collection ordinance, the local unit shall adopt either the county ordinance by reference or a more strict ordinance. If the county within which it is located has adopted a separation ordinance, the ordinance applies in all local units within the county that have failed to meet the local abatement performance standards, as stated in the most recent

annual county report. Ordinances of counties and local government units may establish reasonable conditions respecting but shall not prevent the transportation of solid waste by a licensed collector through and between counties and local units, except as required for the enforcement of any designation of a facility by the council pursuant to section 473.827 a county under chapter 115A. A licensed collector or a metropolitan county or local government unit may request review by the council of an ordinance adopted under this subdivision. The council shall approve or disapprove the ordinance within 60 days of the submission of a request for review. The ordinance shall remain in effect unless it is disapproved. Ordinances of counties and local units of government shall provide for the enforcement of any designation of facilities by the council under section 473.827 counties under chapter 115A. Nothing in this subdivision shall be construed to limit the authority of the local government unit to regulate and license collectors of solid waste or to require review or approval by the council for ordinances regulating collection.

Sec. 73. Minnesota Statutes 1990, section 473.811, subdivision 6, is amended to read:

Subd. 6. [GRANTS AND LOANS TO COUNTIES.] Each metropolitan county may accept gifts, may apply for and accept grants or loans of money or other property from the United States, the state, the metropolitan council, any local government unit, or any person, to accomplish the purposes specified in sections 473.149, 473.151, 473.801 to 473.823, 473.831, ~~473.833~~, and 473.834, may enter into any agreement required in connection therewith, and may hold, use, and dispose of the money or property in accordance with the terms of the gift, grant, loan or agreement relating thereto.

Sec. 74. Minnesota Statutes 1990, section 473.811, subdivision 7, is amended to read:

Subd. 7. [JOINT ACTION.] Any local governmental unit or metropolitan agency may act together with any county, city, or town within or without the metropolitan area, or with the pollution control agency or the office of waste management under the provisions of section 471.59 or any other appropriate law providing for joint or cooperative action between government units, to accomplish any purpose specified in sections 473.149, 473.151, 473.801 to 473.823, 473.831, ~~473.833~~, 473.834, 116.05 and 115A.06.

Any agreement regarding data processing services relating to the generation, management, identification, labeling, classification, storage, collection, treatment, transportation, processing or disposal of waste and entered into pursuant to section 471.59, or other law authorizing joint or cooperative action may provide that any party to the agreement may agree to defend, indemnify and hold harmless any other party to the agreement providing the services, including its employees, officers or volunteers, against any judgments, expenses, reasonable attorney's fees and amounts paid in settlement actually and reasonably incurred in connection with any third party claim or demand arising out of an alleged act or omission by a party to the agreement, its employees, officers or volunteers occurring in connection with any exchange, retention, storage or processing of data, information or records required by the agreement. Any liability incurred by a party to an agreement under this subdivision shall be subject to the limitations set forth in section 3.736 or 466.04.

Sec. 75. Minnesota Statutes 1990, section 473.811, subdivision 8, is amended to read:

Subd. 8. [COUNTY SALE OR LEASE.] Each metropolitan county may sell or lease any facilities or property or property rights previously used or acquired to accomplish the purposes specified by sections 473.149, 473.151, 473.801 to 473.823, 473.831, ~~473.833~~, and 473.834. Such property may be sold in the manner provided by section 469.065, or may be sold in the manner and on the terms and conditions determined by the county board. Each metropolitan county may convey to or permit the use of any such property by a local government unit, with or without compensation, without submitting the matter to the voters of the county. No real property or property rights acquired pursuant to this section, may be disposed of in any manner unless and until the county shall have submitted to the agency and the metropolitan council for review and comment the terms on and the use for which the property will be disposed of. The agency and the council shall review and comment on the proposed disposition within 60 days after each has received the data relating thereto from the county.

Sec. 76. Minnesota Statutes 1990, section 473.811, subdivision 9, is amended to read:

Subd. 9. [SOLID AND HAZARDOUS WASTE FUND.] All money received by any metropolitan county from any source specified in sections 473.149, 473.151, 473.801 to 473.823, 473.831, ~~473.833~~, and 473.834 shall be paid into the county treasury, placed in a special fund designated as the county solid and hazardous waste fund, and used only for the purposes authorized in those sections, as appropriated by the county board, subject to any lawful restrictions, conditions, or pledges applicable thereto.

Sec. 77. Minnesota Statutes 1990, section 473.823, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF WASTE PROCESSING FACILITIES.] (a) A metropolitan county may establish a waste processing facility within the county without complying with local ordinances, if the action is approved by the council in accordance with the review process established by this subdivision. A county requesting review by the council shall show that:

(1) the required permits for the proposed facility have been or will be issued by the agency; ~~that~~;

(2) the facility is consistent with the council's policy plan and the approved county master plan; and ~~that~~

(3) a local government unit has refused to approve the establishment or operation of the facility, *has failed to deny or approve establishment or operation of the facility within the time period required in section 12, or has approved the application or request with conditions that are unreasonable or impossible for the county to meet.*

(b) The council shall meet to commence the review within 90 days of the submission of a request determined by the council to satisfy the requirements for review under this subdivision. At the meeting commencing the review the chair shall recommend and the council establish a scope and procedure, *including criteria*, for its review and final decision on the proposed facility. The procedure shall require the council to make a final

decision on the proposed facility within 120 days following the commencement of review. *For facilities other than waste incineration and mixed municipal solid waste composting facilities, the council shall meet to commence the review within 45 days of submission of the request and shall make a final decision within 75 days following commencement of review.*

(c) The council shall conduct at least one public hearing in the city or town within which the proposed facility would be located. Notice of the hearing shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing. The notice shall describe the proposed facility, its location, the proposed permits, and the council's scope ~~and~~, procedure, *and criteria* for review. The notice shall identify a location or locations within the local government unit and county where the permit applications and the council's scope ~~and~~, procedure, *and criteria* for review are available for review and where copies may be obtained.

(d) In its review and final decision on the proposed facility, the council shall consider at least the following matters:

(a) (1) the risk and effect of the proposed facility on local residents, units of government, and the local public health, safety, and welfare, and the degree to which the risk or effect may be alleviated;

(b) (2) the consistency of the proposed facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;

(c) (3) the adverse effects of the facility on agriculture and natural resources and opportunities to mitigate or eliminate such adverse effects by additional stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the proposed site;

(d) (4) the need for the proposed facility and the availability of alternative sites;

(e) (5) the consistency of the proposed facility with the county master plan adopted pursuant to section 473.803 and the council's policy plan adopted pursuant to section 473.149;

(f) (6) transportation facilities and distance to points of waste generation.

(e) In its final decision in the review, the council may either approve or disapprove the proposed facility at the proposed site. The council's approval shall embody all terms, conditions, and requirements of the permitting state agencies, provided that the council may require more stringent permit terms, conditions, and requirements respecting the design, construction, operation, inspection, monitoring, and maintenance of the proposed facility at the proposed site.

(f) *A county also may request council review under this subdivision on behalf of a person other than a county seeking to establish a solid waste facility in the county.*

Sec. 78. Minnesota Statutes 1990, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity

planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need that conform to the certification standards stated in this subdivision. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the provisions of any master plans of counties that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. ~~In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.~~

Sec. 79. 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; *and*

(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.~~

Sec. 80. Minnesota Statutes 1990, section 473.845, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURE NOTIFICATION AND COMMISSION RECOMMENDATION.] (a) The commissioner shall notify the chair and the director of the legislative commission on waste management before making expenditures from the fund.

~~(b) The legislative commission on waste management shall make recommendations to the standing legislative committees on finance and appropriations about appropriations from the fund.~~

Sec. 81. Minnesota Statutes 1990, section 473.848, subdivision 2, is amended to read:

Subd. 2. [COUNTY CERTIFICATION; COUNCIL APPROVAL.] (a) Each county that has not implemented designation of all or a portion of its mixed municipal solid waste to a resource recovery facility shall submit a

semiannual certification report to the council detailing:

(1) the quantity of waste generated in the county that was not processed prior to transfer to a disposal facility during the six months preceding the report;

(2) the reasons the waste was not processed;

(3) a strategy for development of techniques to ensure processing of waste including a specific timeline for implementation of those techniques; and

(4) any progress made by the county in reducing the amount of unprocessed waste.

(b) The council shall approve a county's report if it determines that the county is reducing and will continue to reduce the amount of unprocessed waste, based on the report and the county's progress in development and implementation of techniques to reduce the amount of unprocessed waste transferred to disposal facilities. If the council does not approve a county's report, it shall negotiate with the county to develop and implement specific techniques to reduce unprocessed waste. If the council does not approve three or more consecutive reports from any one county, the council shall develop specific reduction techniques that are designed for the particular needs of the county. The county shall implement those techniques by specific dates to be determined by the council.

Sec. 82. Minnesota Statutes 1990, section 473.848, is amended by adding a subdivision to read:

*Subd. 5. [DEFINITION.] For the purpose of this section, waste is "unprocessed" if it has not, after collection and before disposal, undergone at least one process, as defined in section 115A.03, subdivision 25, excluding storage, exchange, and transfer of the waste.*

Sec. 83. [TEMPORARY DEVELOPMENT RIGHTS.]

*If temporary development rights have been purchased by a county under Minnesota Statutes, section 473.806, subdivision 2, the landowner may elect to repurchase the development rights from the county for a price equal to the compensation paid by the county prorated over the remaining period of the development rights.*

Sec. 84. [CONTINUED LEVY AUTHORITY OF METROPOLITAN COUNCIL.]

*The metropolitan council may continue to levy ad valorem taxes for debt service of the council's solid waste bonds issued before the effective date of section 87, paragraph (b), in accordance with Minnesota Statutes 1990, section 473.831, subdivision 1.*

Sec. 85. [USE OF BOND PROCEEDS.]

*Until December 1, 1991, with the approval of the metropolitan council, counties engaged in environmental analysis of solid waste disposal sites as of January 1, 1989, under Minnesota Statutes, section 473.833, subdivision 2a, may use proceeds of the council's solid waste bonds issued before the effective date of section 87, paragraph (b), for sealing of monitoring wells and other measures to restore the candidate sites for productive use.*

Sec. 86. [ADDITION TO REPORT.]

*The director of the office of waste management shall include in the 1992*

*solid waste management policy report required under Minnesota Statutes, section 115A.411, an analysis of progress made toward the implementation of nationwide labeling of products and packaging to address environmental concerns. Unless implementation of a nationwide uniform labeling system is imminent at that time, the director shall recommend a statewide product and packaging environmental labeling system that is as consistent as possible with proposed or existing labeling programs in other states.*

Sec. 87. [REPEALER.]

*(a) Minnesota Statutes 1990, sections 16B.125; 115A.953; 325E.045; and 473.844, subdivision 3, are repealed. Laws 1989, chapter 325, section 72, subdivision 2, is repealed.*

*(b) Minnesota Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; 473.831; 473.833; and 473.840, are repealed.*

Sec. 88. [EFFECTIVE DATES.]

*Sections 2, 7, 9, 14, 23, 30, 32, 33, 35, 44, 47, 53, 55, 58, 59, 60, 61, 62, 64, 65, 67, 68, 69, 71, 73, 74, 75, 76, 78, 79, 83, 84, 85, and 87, paragraph (b), are effective the day following final enactment.*

*Section 12 is effective the day following final enactment and applies to applications or requests received by a local government unit on or after the effective date of that section.*

*Section 45 is effective July 1, 1992.*

*Section 49 is effective June 30, 1991.*

*Section 50 is effective June 2, 1989, and applies to all response actions initiated or pending on or after that date.*

*Section 54 is effective July 1, 1991.*

*Section 79 does not affect appropriations for response costs resulting from county actions taken before the effective date of this act."*

Delete the title and insert:

"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; establishing specifications for recycled CFCs; adjusting waste facility siting processes; abolishing the inventory process for solid waste disposal facilities in the metropolitan area; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 3.887, subdivision 5; 16B.122; 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, subdivision 4, and by adding a subdivision; 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, and by adding a subdivision; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.921; 115A.923, subdivisions 1 and 1a; 115A.93, subdivision 3, and by adding a subdivision; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115A.97, subdivision 4; 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; 458D.07, subdivision 5, and by adding a subdivision; 473.149, subdivisions 2e and 4; 473.803, subdivisions 1a, 2, 3, and 4; 473.811, subdivisions 1, 1a, 3, 4a, 5, 6, 7, 8, and 9; 473.823, subdivisions 5 and 6; 473.845, subdivisions 3 and 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 239; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 115A.953; 325E.045; 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; 473.831; 473.833; 473.840; 473.844, subdivision 3; and Laws 1989, chapter 325, section 72, subdivision 2.”

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. 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.

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

Delete everything after the enacting clause and insert:

#### “ARTICLE 1

#### PRESIDENTIAL PRIMARY—MAIL BALLOTING

Section 1. [204B.461] [ELECTION BY MAIL FOR PRESIDENTIAL PRIMARY.]

*Subdivision 1. [CONDUCT OF ELECTION BY MAIL; RULES.] The presidential primary required by section 207A.01 shall be conducted by mail under section 204B.45, subdivisions 2 and 3, except as provided in this section. The secretary of state may adopt rules governing the procedures for conducting the election by mail.*

*Subd. 2. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall designate the county auditor's office or one central location in each county as the single place to obtain a replacement ballot. The county auditor also may designate one or more places of deposit for the ballots cast in the election. The places designated under this subdivision shall be open continuously on the date of the election from 7:00 a.m. to 8:00 p.m.*

*The county auditor shall process and count absentee ballots, replacement ballots, and any ballots cast or returned on election day. The county auditor may begin examining return envelopes, removing voted ballots from the ballot secrecy envelopes, and placing the completed ballots in sealed containers at any time on election day. The county auditor shall count the ballots immediately after the close of voting and shall report the results in the manner specified by the secretary of state. The municipal clerks shall provide the county auditor with ballot boxes, voting booths, and an adequate number of election judges to process and count the ballots.*

*Subd. 3. [MAILING OF BALLOTS.] The secretary of state shall mail the official ballots by nonforwardable mail with a return envelope, a ballot*



*secrecy envelope, and instructions for marking and returning the ballot not sooner than the 20th day before the date of the presidential primary and not later than the 14th day before the date of the presidential primary, to each person registered to vote as of 5:00 p.m. on the 21st day before the date of the presidential primary.*

*The secretary of state may prepare the mail ballots in a manner which permits the votes on the ballots, the voter's party choice, and information included on the return envelope to be read electronically. The mail ballots must be prepared in the format provided for the white ballot to the extent practicable. The envelopes included in the mail ballot must be prepared in the format provided in the rules for mail balloting adopted by the secretary of state to the extent practicable.*

*Subd. 4. [COSTS.] The secretary of state shall pay the following costs for the presidential primary: printing the ballot mailers; providing first class postage for the mailing enclosure and the return envelope included in the ballot mailer; use of equipment to process the return envelopes and count the ballots; and acquisition of adequate space and staff needed to process the return envelopes and count the ballots. The county auditor shall pay the costs of preparing absentee and replacement ballots, and for first class postage for absentee ballots. The municipal clerks shall pay the costs of the election judges needed by the county auditor to process return envelopes and count the ballots, and the costs of providing ballot boxes and voting booths to the county auditor.*

*Subd. 5. [WARNING.] The ballot shall contain the following warning:*

*"Any person who, by use of force or other means, unduly influences a voter to vote in any particular manner or to refrain from voting, is guilty of a felony and is subject, upon conviction, to imprisonment or to a fine, or both."*

*Subd. 6. [PROCESSING AND COUNTING BALLOTS.] The secretary of state may begin examining the return envelopes, removing completed ballots from the ballot secrecy envelopes, transferring the ballot information to magnetic tape, and placing the completed ballots and tape in sealed containers immediately upon receipt of the return envelopes from the voters. The secretary of state may begin counting the votes at any time on the day of the presidential primary. No results may be compiled or released to the public until after 8:00 p.m. on election day. The secretary of state may use equipment designed for optical character recognition on an experimental basis for the purpose of processing and counting the ballots.*

*The secretary of state shall provide adequate staff to process and count the completed ballots. Any staff employed must receive training in counting ballots similar to that required for election judges. The county auditors shall provide assistance to the secretary of state in the recruitment and training of staff and in the processing and counting of the ballots.*

*Subd. 7. [VOTING ON ELECTION DAY.] Presidential primary ballots may be obtained and cast in person at the locations designated by the county auditor from 7:00 a.m. until 8:00 p.m. on election day. The county auditor shall verify that persons voting on election day have not already submitted a completed mail ballot.*

*Subd. 8. [REPORTING RESULTS.] The secretary of state shall prepare a report on the results of the presidential primary for the state canvassing board. The report must include statewide vote totals for each candidate.*

*Subd. 9. [CHALLENGES.] Any ballot and any voter casting a ballot may be challenged under rules adopted by the secretary of state.*

Sec. 2. Minnesota Statutes 1990, section 204C.14, is amended to read: 204C.14 [UNLAWFUL VOTING; PENALTY.]

No individual shall intentionally:

(a) Misrepresent the individual's identity in applying for a ballot, depositing a ballot in a ballot box or attempting to vote by means of a voting machine or electronic voting system;

(b) Vote more than once at the same election;

(c) Put a ballot in a ballot box for any illegal purpose;

(d) Give more than one ballot of the same kind and color to an election judge to be placed in a ballot box;

(e) Aid, abet, counsel or procure another to go into any precinct for the purpose of voting in that precinct, knowing that the other individual is not eligible to vote in that precinct; or

(f) *By use of force or other means unduly influence a voter to vote in any particular manner or to refrain from voting in an election by mail; or*

(g) Aid, abet, counsel or procure another to do any act in violation of this section.

A violation of this section is a felony.

Sec. 3. [VOTER REGISTRATION COMBINED WITH DRIVER'S LICENSE APPLICATION.]

*By January 1, 1992, the secretary of state shall, in coordination and cooperation with the commissioner of public safety, develop a system for a single registration form to serve as a combined application for an original or change of address driver's license or state identification card and for voter registration.*

Sec. 4. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the secretary of state to implement section 1. This appropriation is available until June 30, 1993.*

Sec. 5. [REPEALER.]

*Minnesota Statutes 1990, sections 207A.03, subdivision 1; and 207A.07, are repealed.*

Sec. 6. [EFFECTIVE DATE.]

*Section 2 is effective August 1, 1991, and applies to crimes committed on or after that date.*

ARTICLE 2

REDISTRICTING AMENDMENTS

Section 1. Minnesota Statutes 1990, section 204B.135, is amended by adding a subdivision to read:

*Subd. 3. [SPECIAL ELECTIONS; LIMITATIONS.] No municipality or school district may conduct a special election during the 19 weeks before*

*the state primary election in the year ending in two, except for special elections conducted on the date of the school district general election. A school district special election required by any other law may be deferred until the date of the next school district general election, the state primary election, or the state general election.*

Sec. 2. Minnesota Statutes 1990, section 204B.14, subdivision 3, is amended to read:

Subd. 3. [BOUNDARY CHANGES; PROHIBITIONS; EXCEPTION.] Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in seven to the time when the legislature has been redistricted in a year ending in two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

(a) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

(b) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

(c) Precinct boundaries must be reestablished within 45 days of the time when the legislature has been redistricted, or by May 10 in a year ending in two, whichever comes first. *The adoption of reestablished precinct boundaries becomes effective on the date of the state primary election in the year ending in two.*

Precincts must be arranged so that no precinct lies in more than one legislative district.

Sec. 3. Minnesota Statutes 1990, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. Except in the case of the combination or separation of municipalities for election purposes under subdivision 8, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least ~~30~~ 14 days prior to the first election held after the change takes effect.

*The county auditor must publish a notice illustrating or describing the congressional, legislative, and county commissioner district boundaries in the county in one or more qualified newspapers in the county at least 14 days prior to the first day to file affidavits of candidacy for the state general election in the year ending in two.*

*Alternate dates for adopting changes in precinct boundaries, posting notices of boundary changes, and notifying voters affected by boundary changes pursuant to this subdivision may be established in the manner provided in the rules of the secretary of state.*

Sec. 4. Minnesota Statutes 1990, section 204B.14, subdivision 6, is amended to read:

Subd. 6. [PRECINCT BOUNDARIES TO FOLLOW PHYSICAL FEATURES.] The boundaries of election precincts shall follow visible, clearly recognizable physical features. If it is not possible to establish the boundary between any two adjacent precincts along such features, the boundary around the two precincts combined shall be established *in the manner provided in the rules of the secretary of state* to comply with the provisions of this subdivision. The maps required by subdivision 5 shall clearly indicate which boundaries do not follow visible, clearly recognizable physical features.

For the purposes of this subdivision, "visible, clearly recognizable physical feature" means a street, road, boulevard, parkway, river, stream, shoreline, drainage ditch, railway right-of-way, or any other line which is clearly visible from the ground. A street or other roadway which has been platted but not graded is not a visible, clearly recognizable physical feature for the purposes of this subdivision.

Sec. 5. Minnesota Statutes 1990, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a ~~municipality~~ city or in a school district located in whole or in part in the metropolitan area defined by section 473.121 shall be located within the boundaries of the precinct or within ~~1,500~~ 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to subdivision 2 or a school district pursuant to section 205A.11. ~~The polling place for a precinct may be located up to 3,000 feet outside one of the boundaries of the precinct if necessary to locate a polling place that is accessible to and usable by elderly and handicapped individuals as required in subdivision 5.~~ The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within ~~the~~ a town or within a school district located outside the metropolitan area defined by section 473.121, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 6. Minnesota Statutes 1990, section 204B.16, subdivision 2, is amended to read:

Subd. 2. [SINGLE POLLING PLACE PERMITTED.] The governing body of any city of the third or fourth class having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, accessible, centrally located polling place where all the voters of the city shall cast their ballots. *A single polling place may also be established for two precincts combined in the manner provided in section 204B.14, subdivision 6.* A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city.

Sec. 7. Minnesota Statutes 1990, section 205.84, subdivision 2, is amended to read:

Subd. 2. [REDEFINING WARD BOUNDARIES.] The governing body of the city may by ordinance redefine ward boundaries after a municipal general election. The council shall hold a public hearing on the proposed ordinance before its adoption. One week's published notice of the hearing shall be given. ~~Within six months~~ After the official certification of ~~each~~ the federal decennial or special census, the governing body of the city shall either confirm the existing ward boundaries as conforming to the standards of subdivision 1 or redefine ward boundaries to conform to those standards *as provided in section 204B.135, subdivision 1*. If the governing body of the city fails to take either action within the time required, no further compensation shall be paid to the mayor or council member until the wards of the city are either reconfirmed or redefined as required by this section. An ordinance establishing new ward boundaries ~~shall apply to the first election held at least six months after adoption of the ordinance pursuant to section 204B.135, subdivision 1, becomes effective on the date of the state primary election in the year ending in two. Ward boundaries established at other times become effective 90 days after the adoption of the ordinance.~~

Sec. 8. Minnesota Statutes 1990, section 205A.12, subdivision 6, is amended to read:

Subd. 6. [REDEFINING ELECTION DISTRICT BOUNDARIES.] The school board may by resolution redefine district boundaries after a school district general election. The board shall hold a public hearing on the proposed resolution before its adoption. One week's published notice of the hearing must be given. ~~Within six months~~ After the official certification of ~~each~~ the federal decennial or special census, the school board shall either confirm the existing election district boundaries as conforming to the standards of subdivision 4 or redefine election district boundaries to conform to those standards *as provided in section 204B.135, subdivision 2*. If the school board fails to take either action within the time required, no further compensation may be paid to the school board members until the districts are either reconfirmed or redefined as required by this section. A resolution establishing ~~original or new~~ election district boundaries ~~apply to the first election held at least six months after adoption of the resolution pursuant to section 204B.135, subdivision 2, becomes effective on the date of the state primary election in the year ending in two. Election district boundaries established at other times become effective 90 days after the adoption of the resolution.~~

### ARTICLE 3

#### 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 4

### 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 3, 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 3, 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 3, 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 5, 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 3, 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 3, 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 3, 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 3, 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 5

### 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 3, 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 .....  
    ..... None                               Street or Route Number .....  
    .....   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 ~~12 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 123.11.~~

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 ~~12:00 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 6

### 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 3, 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 3, 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 1~~ 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~~ *application affidavit* is made. The ~~application affidavit~~ *application affidavit* shall be filed ~~not less than 12 days before the election during the period specified in article 3, 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~~ the next school district general election for independent districts, six directors shall be elected, ~~two three~~ to hold office until July ~~† the first Monday in January~~ following the next annual school district general election, two to hold office until the expiration of one year from said July ~~† and two to hold office until the expiration of two years from said July † 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 ~~† 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 3, 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 3, 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 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 4 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 4, 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 3, 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 of 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 of 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.~~ *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 3, 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 7

### 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 3, 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 3, 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 3, 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 3, 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 3, 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 4, 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 7, section 1, subdivision 5, is repealed effective August 1, 1995.*

**Sec. 5. [EFFECTIVE DATE.]**

*Article 4, section 2; and article 5, 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; mail balloting; requiring the presidential primary to be conducted by mail; 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; 204C.14; 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, chapters 204B and 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; 207A.03, subdivision 1; 207A.07; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4.”

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

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

S.F. No. 1112: A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.164, subdivision 4; and 272.02, subdivision 1.

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

Page 7, line 30, delete “*payable in 1992 and*”

Page 7, delete line 31 and insert “*levied in 1991, payable in 1992, and thereafter.*”

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. 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 be amended as follows:

Pages 2 and 3, delete section 2

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, delete line 6

Page 1, line 7, delete everything before "amending"

Page 1, line 8, delete "sections" and insert "section" and delete "; and 325D.415"

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

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

S.F. No. 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.

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

Page 1, line 22, delete "*the real and*"

Page 1, line 25, after the period, insert "*A lien created under this section is not superior to a lien relating to the vendor's interest in conditional sales contracts.*"

Page 1, line 26, delete "272.21" and insert "277.21"

Page 2, line 8, after the period, insert "*Liens filed in the office of the county recorder shall be filed with the state tax liens filed pursuant to section 270.69, and the index shall indicate the name of the county for which the lien was filed. If the land is registered, the notice of lien shall be filed in the office of the registrar of titles of the county in which the property is registered.*"

Page 2, line 11, after "recording" insert "; *the fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording*"

Page 3, lines 8 and 10, after "foreclosure" insert ", *sale.*" and after "or" insert "*date of*"

Page 3, line 14, delete "commissioner" and insert "county treasurer"

Page 3, line 15, after the semicolon, insert "and"

Page 3, line 16, delete everything after "property" and insert a period

Page 3, delete line 17 and insert "*Upon request of a party providing notice under this subdivision, the county treasurer shall send to the party within one business day of receiving the notice a receipt for the notice.*"

Page 3, line 19, after "affecting" insert "personal property"

Page 3, line 26, delete "August 1, 1989" and insert "December 31, 1991"

Pages 11 to 23, delete article 2 and insert:

“ARTICLE 2

ESCROW REQUIREMENTS

Section 1. Minnesota Statutes 1990, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.] Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home. The taxes are due on the last day of August, *except that if the tax exceeds \$50, one-half of the amount due may be paid on August 31, and the remainder on October 15.* Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. On September 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.

Sec. 2. [277.17] [ESCROW REQUIREMENT FOR DELINQUENCIES ON MANUFACTURED HOMES.]

*Subdivision 1. [CERTIFICATION TO MANUFACTURED HOME OWNER.] On or before October 15 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the personal property taxes due on August 31 are delinquent as of September 30, to the owner, referred to in this section as “the taxpayer.” The letter must inform the taxpayer that due to the delinquency, the taxpayer will be required under state law to begin making monthly payments of delinquent property taxes, and that the property taxes will also be escrowed for payment of property taxes the following year. The form and content of the notice to the taxpayer shall be specified by the commissioner of revenue.*

*Subd. 2. [ESTABLISHMENT OF TAX ESCROW ACCOUNTS.] The county auditor must establish a tax escrow account for delinquent property taxes for each taxpayer receiving a letter under subdivision 1. The taxpayer must pay an additional amount each month equal to ten percent of the total delinquent personal property taxes due, plus ten percent of the tax payable in the current calendar year.*

*Subd. 3. [COUNTY ESCROW.] Within 30 days of receipt of a letter from the county auditor under subdivision 1, the taxpayer must make the first monthly payment under subdivision 2 to the county auditor. The commissioner of revenue shall prescribe the procedures to be used for monthly collections of the delinquent and current tax payments.*

Sec. 3. Minnesota Statutes 1990, section 327B.01, subdivision 21, is amended to read:

Subd. 21. [TRUST FUNDS.] “Trust funds” means funds received by a broker in a fiduciary capacity as a part of a manufactured home sale transaction, pending the consummation or termination of a transaction, and includes all down payments, earnest money deposits, rents for clients, tax, *including escrow payments for property taxes and insurance escrow payments, damage deposits, and any funds received on behalf of any person.*

Sec. 4. Minnesota Statutes 1990, section 327B.08, is amended by adding a subdivision to read:

*Subd. 6. [PROPERTY TAX ESCROW REQUIRED.] Any agreement entered into after May 31, 1991, for the financing or refinancing of a purchase by a financial institution authorized to do business in this state of a manufactured home shall require that the lender escrow payments for property taxes."*

Amend the title as follows:

Page 1, line 3, delete "requiring a"

Page 1, delete lines 4 and 5

Page 1, line 6, delete "and dealers; imposing a penalty" and insert "authorizing installment payments of taxes on manufactured homes; requiring payment of certain property taxes on manufactured homes into tax escrow accounts"

Page 1, line 7, delete "271.06, subdivision 1; 271.09,"

Page 1, delete lines 8 and 9

Page 1, line 10, delete "3; 290A.07, subdivision 2a" and insert "274.19, subdivision 3; 327B.01, subdivision 21; and 327B.08, by adding a subdivision"

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

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

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.

Reports the 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.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 in 1991 and an amount in subsequent years determined by multiplying \$200,000 by the cumulative inflation rate in years subsequent to 1991 as determined by the United States All-Items Consumer Price Index;

(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. 2. 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).*

Sec. 3. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~35~~ 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 4. 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 state agency an opportunity to review and comment on the application for the federal permit. The board shall consult with local units of government and with private citizens before adopting any rules."

Delete the title and insert:

"A bill for an act relating to agricultural finance; changing certain provisions of the rural finance authority's beginning farmer program; authorizing an exemption if a federal permit is required for a genetically engineered organism release; amending Minnesota Statutes 1990, sections 41B.03, subdivision 3; 41B.036; 41B.039, subdivision 2; and 116C.94."

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

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.

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

Page 1, line 19, after "has" insert "*petroleum tank leakage or spill*"

Page 1, line 24, delete "*maintain*" and insert "*request the attorney general to bring*" and after "*action*" insert "*in district court*"

Page 2, line 20, after "has" insert "*petroleum tank leakage or spill*"

Page 2, line 23, delete "*maintain*" and insert "*request the attorney general to bring*" and after "*action*" insert "*in district court*"

Page 3, line 12, after "has" insert "*petroleum tank leakage or spill*"

Page 3, line 17, delete everything before "*against*" and insert "*request the attorney general to bring an action in district court*"

And when so amended the bill do pass. Mr. Day questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

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.



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

Page 3, after line 7, insert:

“Sec. 4. Minnesota Statutes 1990, section 204B.27, is amended by adding a subdivision to read:

*Subd. 7. [EDUCATIONAL ACTIVITIES.] The secretary of state may authorize educational activities related to voting and elections for elementary or secondary school students in the polling place on the day of a state, county, municipal, or school district election. Ballots used for educational activities must be a different color than any ballot used at the election. Activities authorized under this subdivision must be administered in a manner that does not interfere with the conduct of the election.*

Sec. 5. Minnesota Statutes 1990, section 204C.06, subdivision 2, is amended to read:

*Subd. 2. [INDIVIDUALS ALLOWED IN POLLING PLACE.] (a) Representatives of the secretary of state's office, the county auditor's office, and the municipal or school district clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting or registering to vote, providing proof of residence for an individual who is registering to vote, or assisting a handicapped voter or a voter who is unable to read English. During voting hours no one except individuals receiving, marking, or depositing ballots shall approach within six feet of a voting booth, unless lawfully authorized to do so by an election judge.*

*(b) Teachers and elementary or secondary school students participating in an educational activity authorized by section 4 may be present at the polling place during voting hours.*

Sec. 6. Minnesota Statutes 1990, section 204D.165, is amended to read:  
204D.165 [SAMPLE BALLOTS TO SCHOOLS.]

Notwithstanding any contrary provisions in section 204D.09 or 204D.16, the county auditor, two weeks before the applicable primary or general election, shall provide one copy of the sample partisan primary, nonpartisan primary, canary, white, or pink ballot to a school district upon request. The school district may have the sample ballots reproduced at its expense for classroom educational purposes *and for educational activities authorized under section 4.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “permitting students in polling places for educational purposes;”

Page 1, line 7, delete the second “and”

Page 1, line 8, before the period, insert “; 204B.27, by adding a subdivision; 204C.06, subdivision 2; and 204D.165”

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. 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.

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. 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.

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

Page 1, line 10, delete "*or related to*"

Page 1, line 11, delete the third comma and insert "*which*"

Page 1, line 12, delete "*traffic violations,*"

Page 1, line 13, delete "*, and penalties and*" and insert "*caused by the lessee*"

Page 1, line 14, after the period, insert "*This section does not relieve the lessor of any liability, penalty, or damages arising out of its own acts or omissions.*"

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. 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.

Reports the 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 471.633, is amended to read:

471.633 [FIREARMS.]

The legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance or regulation by them except that:

(a) a governmental subdivision may regulate the discharge of firearms; and

(b) a governmental subdivision may regulate the display of firearms ammunition for sale to the public; and

(c) a governmental subdivision may adopt regulations identical to state law.

Local regulation inconsistent with this section is void."

Delete the title and insert:

"A bill for an act relating to local government; permitting governmental subdivisions to regulate the display of firearms ammunition for sale to the public; amending Minnesota Statutes 1990, section 471.633."

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. 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; proposing coding for new law in Minnesota Statutes, chapter 18D.

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

Pages 1 and 2, delete sections 1 and 2

Page 5, line 21, delete "by" and insert "of"

Page 5, line 28, before the comma, insert "*related to the alleged violation*"

Page 5, line 34, delete the first "by" and insert "of"

Page 6, line 11, strike ", or has"

Page 6, line 12, strike "reason to know that the person's conduct places,"

Page 6, delete lines 30 to 32 and insert:

*"(b) A person who intentionally disposes of an agricultural chemical as defined in section 18D.01, subdivision 3, that is a hazardous waste as defined in section 18D.01, subdivision 5, in violation of chapter 18B, 18C, or 18D, or a standard, special order, stipulation, agreement, or schedule of compliance of the commissioner of agriculture"*

Page 6, line 33, delete "is a hazardous waste,"

Page 9, line 6, strike "gross misdemeanor" and insert "crime"

Page 11, line 29, after "subdivision" insert "*or subdivision 6*"

Page 11, line 30, delete "*the violation*" and insert "*a violation of this subdivision*"

Page 11, after line 36, insert:

*“Subd. 13. [SOLID WASTE DISPOSAL.] (a) A person is guilty of a gross misdemeanor who:*

*(1) knowingly disposes of solid waste at, transports solid waste to, or arranges for disposal of solid waste at a location that does not have a required permit for the disposal of solid waste; and*

*(2) does so in exchange for or in expectation of money or other consideration.*

*(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$10,000 a day of violation, or both.*

Sec. 3. [REPEALER.]

*Minnesota Statutes 1990, section 18D.331, subdivision 4, is repealed.”*

Page 12, line 2, delete “to 4” and insert “and 2”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete “authorizing”

Page 1, delete lines 10 and 11

Page 1, line 12, delete “part of a sentence;”

Page 1, line 15, delete “18D.331, subdivision 4;”

Page 1, line 16, delete everything after “609.671”

Page 1, line 17, delete everything before the period and insert “; repealing Minnesota Statutes 1990, section 18D.331, subdivision 4”

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.

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

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.

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 COUNCIL.]

*By June 15, 1991, the commissioner of human services shall convene an advisory council to examine the rules governing facilities certified as intermediate care facilities for persons with mental retardation or related conditions under Code of Federal Regulations, title 42, parts 431, 435, 442, and 483. The council shall examine the following rules: Minnesota Rules, parts 9525.0215; 9525.0225; 9525.0235; 9525.0243; 9525.0245; 9525.0255; 9525.0265; 9525.0275; 9525.0285; 9525.0295; 9525.0305;*

9525.0315; 9525.0325; 9525.0335; 9525.0345; and 9525.0355. *The commissioner shall submit to the legislature, by January 1, 1992, a plan for simplification of rules and regulations governing services to persons with developmental disabilities and related conditions. The plan must provide recommendations and draft legislation. The commissioner shall submit to the legislature an initial interim report by August 15, 1991, and a second interim report by October 15, 1991.*

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to human services; establishing an advisory council; requiring a plan to simplify rules and regulations governing services to persons with developmental disabilities and related conditions."*

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. 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.

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

Delete everything after the enacting clause and insert:

**"Section 1. [237.067] [ESTABLISHMENTS EXEMPT FROM REGULATION.]**

*Subdivision 1. [DEFINITION.] For purposes of this section, "establishment" means an individual hotel, motel, restaurant, lodging house, boarding house, resort, or place of refreshment licensed under chapter 157.*

*Subd. 2. [EXEMPTION; CONDITIONS.] An establishment that provides telephone service to patrons on the premises of the establishment is not subject to regulation under this chapter, except that the establishment:*

*(1) shall comply with the requirement of section 237.06 that rates charged must be fair and reasonable;*

*(2) shall provide notice of charges and service providers to patrons as required in section 2; and*

*(3) is subject to the complaint and investigation procedures of section 237.081.*

**Sec. 2. [325F.99] [TELEPHONE CALLS; FEES; LONG DISTANCE CARRIERS; NOTICE.]**

*Subdivision 1. [FEES FOR CALLS.] A hotel, motel, restaurant, lodging house, boarding house, resort, or place of refreshment, licensed under chapter 157, that charges a separate fee for the use of a telephone, other than immediate payment by coin, credit card, or other payment device on a per call basis for the caller to complete the call, shall provide notice on or near*

*each telephone stating the separate fee charged for making a local, credit card, or other call.*

*Subd. 2. [LONG DISTANCE CARRIER.] Establishments governed by subdivision 1 shall provide notice on or near each telephone stating the name of the carrier with which the establishment has subscribed to provide long distance service to that telephone."*

Delete the title and insert:

"A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 325F."

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. 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.

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

Page 1, line 14, after "homes" insert "*under common ownership*" and strike "100" and insert "150"

Page 1, line 25, after the period, insert "*In the absence of rules adopted by the commissioner governing the division of an administrator's time between two nursing homes, the administrator shall designate and post the times the administrator will be on site in each home on a regular basis.*"

Amend the title as follows:

Page 1, line 2, delete "100" and insert "150"

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. 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.

Reports the 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 325E.37, is amended to read:

325E.37 [TERMINATION OF SALES REPRESENTATIVES.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meaning given them.

(b) "Good cause" means ~~failure by the sales representative to substantially comply with the material and reasonable requirements imposed by a material breach of one or more provisions of a written sales representative agreement governing the relationship with the manufacturer, wholesaler, assembler, or importer, including or in absence of a written agreement, failure by the sales representative to substantially comply with the material and reasonable requirements imposed by the manufacturer, wholesaler, assembler, or importer.~~ *Good cause includes, but is not limited to:*

- (1) the bankruptcy or insolvency of the sales representative;
- (2) assignment for the benefit of creditors or similar disposition of the assets of the sales representative's business;
- (3) *the voluntary abandonment of the business by the sales representative as determined by a totality of the circumstances;*
- (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the sales representative's business; ~~or~~
- (5) ~~any act by or conduct~~ *any act by or conduct* of the sales representative which materially impairs the good will associated with the manufacturer's, wholesaler's, assembler's, or importer's trademark, trade name, service mark, logotype, or other commercial symbol; *or*

(6) *failure to forward customer payments to the manufacturer, wholesaler, assembler, or importer.*

(c) "Person" means a natural person, but also includes a partnership, corporation, and all other entities.

(d) "Sales representative" means a person, ~~other than an employee,~~ who contracts with a principal to solicit wholesale orders and who is compensated, in whole or in part, by commission; ~~but does not include a person who places orders or purchases exclusively for the person's own account for resale.~~

*Sales representative does not include a person who:*

- (1) *is an employee of the principal;*
- (2) *places orders or purchases for the person's own account for resale;*
- (3) *holds the goods on a consignment basis for the principal's account for resale; or*
- (4) *distributes, sells, or offers the goods, other than samples, to end users, not for resale.*

~~(e)~~ (e) "Sales representative agreement" means a contract or agreement, either express or implied, whether oral or written, for a definite or indefinite period, between a sales representative and another person or persons, whereby a sales representative is granted the right to ~~distribute,~~ represent, sell, or offer for sale a manufacturer's, wholesaler's, assembler's, or importer's goods by use of the latter's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics, and in which there exists a community of interest between the parties in the marketing of the goods ~~or services~~ at wholesale, ~~retail,~~ by lease, agreement, or otherwise. "*Wholesale orders*" means the solicitation of orders for

*goods by persons in the distribution chain for ultimate sale at retail.*

Subd. 2. [TERMINATION OF AGREEMENT.] (a) A manufacturer, wholesaler, assembler, or importer may not terminate a sales representative agreement unless the person has good cause and:

(1) that person has given written notice setting forth ~~all the reasons~~ *reason(s)* for the termination at least ~~90~~ 75 days in advance of termination; and

(2) the recipient of the notice fails to correct the reasons stated for termination in the notice within ~~60~~ 45 days of receipt of the notice.

(b) A notice of termination is effective immediately upon receipt where the alleged grounds for termination are: *the reasons set forth in subdivision 1, paragraph (b), clauses (1) to (6), hereof*

~~(1) voluntary abandonment of the relationship by the sales representative;~~

~~(2) the conviction of the sales representative of an offense directly related to the business conducted pursuant to the sales representative agreement; or~~

~~(3) material impairment of the good will associated with the manufacturer's, assembler's, or importer's trade name, trademark, service mark, logotype, or other commercial symbol.~~

Subd. 3. [RENEWAL OF AGREEMENTS.] Unless the failure to renew a sales representative agreement is for good cause, and the sales representative has failed to correct reasons for termination as required by subdivision 2, no person may fail to renew a sales representative agreement unless the sales representative has been given written notice of the intention not to renew at least ~~90~~ 75 days in advance of the expiration of the agreement. *For purposes of this subdivision, a sales representative agreement of indefinite duration shall be treated as if it were for a definite duration expiring 180 days after the giving of written notice of intention not to continue the agreement.*

Subd. 4. [RIGHTS UPON TERMINATION.] If a sales representative is paid by commission under a sales representative agreement and the agreement is terminated, the representative is entitled to be paid for all sales ~~made and orders to creditworthy customers made in the representative's territory as to which the representative would have been entitled to commissions pursuant to the provisions of the sales representative agreement, made prior to the date of termination of the agreement or the end of the notification period, whichever is later, regardless of whether the goods or services have been actually been delivered to the purchaser. The payments of commissions are due when the goods or services are delivered or at the date of termination, whichever occurs first shipped. Payment of commissions due the sales representative shall be paid in accordance with the terms of the sales representative agreement or, if not specified in the agreement, payments of commissions due the sales representative shall be paid in accordance with section 181.145.~~

Subd. 5. [ARBITRATION.] (a) The sole remedy for a sales representative ~~against~~ a manufacturer, wholesaler, assembler, or importer who ~~has allegedly violated~~ *alleges a violation* of any provision of this section is to submit the matter to arbitration. *A sales representative may also submit a matter to arbitration, or in the alternative, at the employee's sales representative's option prior to the arbitration hearing, the employee sales representative may bring the employee's sales representative's common law claims in a*



court of law, *and in that event all claims must be resolved in that forum.* In the event the parties do not agree to an arbitrator within 30 days after the sales representative demands arbitration in a writing, either party may request the appointment of an arbitrator from the American Arbitration Association. Each party to a sales representative agreement shall be bound by the arbitration. *In the event that the American Arbitration Association declines to appoint an arbitrator, the arbitration shall proceed under chapter 572.* The cost of an arbitration hearing must be borne equally by both parties. *Except as provided in paragraph (c), the arbitration proceeding is to be governed by the uniform arbitration act, sections 572.08 to 572.30.*

(b) The arbitrator may provide any of the following remedies:

- (1) sustainment of the termination of the sales representative agreement;
- (2) reinstatement of the sales representative agreement, or damages for its breach;
- (3) payment of commissions due under subdivision 4;
- (4) reasonable attorneys' fees and costs to a prevailing sales representative;
- (5) reasonable attorneys' fees and costs to a prevailing manufacturer, wholesaler, assembler, or importer, if the arbitrator finds the complaint was frivolous, unreasonable, or without foundation; or
- (6) the full amount of the arbitrator's fees and expenses if the arbitrator finds that the sales representative's resort to arbitration or the manufacturer's, wholesaler's, assembler's, or importer's defense in arbitration was vexatious and lacking in good faith.

(c) Notwithstanding any provision of the uniform arbitration act to the contrary, the decision of any arbitration hearing under this subdivision is final and binding on the sales representative and the manufacturer, wholesaler, assembler, or importer. *The district court shall, upon application of a party, issue an order confirming the decision.*

*Subd. 6. [SCOPE; LIMITATIONS.] (a) This section applies to a sales representative who, during some part of the period of the sales representative agreement:*

- (1) is a resident of Minnesota or maintains that person's principal place of business in Minnesota; or
- (2) whose geographical territory specified in the sales representative agreement includes part or all of Minnesota.

*(b) To be effective, any demand for arbitration under subdivision 5 must be made in writing and delivered to the principal on or before one year after the effective date of the termination of the agreement.*

Sec. 2. [APPLICATION.]

*Section 1 applies to a sales representative agreement entered into or renewed on or after the effective date of this act. A sales representative agreement is renewed on or after the effective date of section 1 if:*

- (1) the period specified in the agreement expires, but the relationship continues, either for a new specified period or for an indefinite period; or
- (2) the agreement is for an indefinite period, and with the principal's consent, the sales representative solicits orders on or after the effective date

*of section 1.*”

Delete the title and insert:

“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.”

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 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.

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

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1990, section 60A.176, subdivision 3, is amended to read:

Subd. 3. [AGENT.] “Agent” means an agent who is not an employee of the insurer, *who has an agency contractual relationship that has been in effect for five or more years*, and who writes 80 percent or more of the agent’s business through one insurer or its subsidiaries.

Sec. 2. Minnesota Statutes 1990, section 60A.177, subdivision 2, is amended to read:

Subd. 2. [NOTICE; HEARING.] If an agent is terminated by an insurer, the agent may request a hearing before the board of review. If an insurer initiates the termination of an agent’s agreement, the written notice of termination must advise the agent of the agent’s right to a hearing before the board of review. Upon receipt of an agent’s request for a hearing, the commissioner shall establish a hearing date within 30 days of the request or longer with the approval of the agent and the insurer. The agent and the insurer shall be notified in writing of the date, time, and place of the hearing. *The hearing provided for under this section is not subject to Minnesota Statutes, chapter 14. The review board shall provide the parties to the hearing with an opportunity to present evidence and arguments in support of their respective positions.*

Sec. 3. Minnesota Statutes 1990, section 60A.177, subdivision 4, is amended to read:

Subd. 4. [BOARD’S DETERMINATION.] Upon completion of the hearing, the board of review shall determine if the termination of the agent’s agreement is justified. If in the opinion of the board of review an involuntary termination is not justified, and in the absence of a reasonable contractual financial provision for termination as determined by the ~~commissioner~~ board, the ~~commissioner~~ board shall order the insurer to pay an amount of compensation that the ~~commissioner~~ board considers appropriate to the agent.

If in the opinion of the board of review a voluntary termination was not voluntary and the insurer is not justified in terminating the agent’s agreement, and in the absence of a reasonable contractual financial provision for

termination as determined by the ~~commissioner board~~, the ~~commissioner board~~ shall order the insurer to pay an amount of compensation that the ~~commissioner board~~ considers appropriate to the agent.

Sec. 4. Minnesota Statutes 1990, section 60A.177, subdivision 5, is amended to read:

Subd. 5. [APPEAL.] ~~An order of the commissioner or~~ A final determination of the board of review under subdivision 4 may be appealed to district court by either party for a trial de novo. If the insurer appeals and the agent prevails, the insurer is responsible for the agent's legal fees as approved by the court.

Sec. 5. Minnesota Statutes 1990, section 60A.177, is amended by adding a subdivision to read:

*Subd. 8. [ADMINISTRATIVE PENALTIES.] Failure to comply with a final order or determination of the review board constitutes a basis for disciplinary action under section 45.027, subdivision 7."*

Page 3, after line 29, insert:

"Sec. 7. Minnesota Statutes 1990, section 72A.201, subdivision 6, is amended to read:

Subd. 6. [STANDARDS FOR AUTOMOBILE INSURANCE CLAIMS HANDLING, SETTLEMENT OFFERS, AND AGREEMENTS.] In addition to the acts specified in subdivisions 4, 5, 7, 8, and 9, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

(1) if an automobile insurance policy provides for the adjustment and settlement of an automobile total loss on the basis of actual cash value or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) comparable and available replacement automobile, with all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to the transfer or evidence of ownership of the automobile paid, at no cost to the insured other than the deductible amount as provided in the policy;

(b) a cash settlement based upon the actual cost of purchase of a comparable automobile, including all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to transfer of evidence of ownership, less the deductible amount as provided in the policy. The costs must be determined by:

(i) the cost of a comparable automobile, adjusted for mileage, condition, and options, in the local market area of the insured, if such an automobile is available in that area; or

(ii) one of two or more quotations obtained from two or more qualified sources located within the local market area when a comparable automobile is not available in the local market area. The insured shall be provided the information contained in all quotations prior to settlement; or

(iii) any settlement or offer of settlement which deviates from the procedure above must be documented and justified in detail. The basis for the settlement or offer of settlement must be explained to the insured;

(2) if an automobile insurance policy provides for the adjustment and

settlement of an automobile partial loss on the basis of repair or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) to assume all costs, including reasonable towing costs, for the satisfactory repair of the motor vehicle. Satisfactory repair includes repair of both obvious and hidden damage as caused by the claim incident. This assumption of cost may be reduced by applicable policy provision; or

(b) to offer a cash settlement sufficient to pay for satisfactory repair of the vehicle. Satisfactory repair includes repair of obvious and hidden damage caused by the claim incident, and includes reasonable towing costs;

(3) regardless of whether the loss was total or partial, in the event that a damaged vehicle of an insured cannot be safely driven, failing to exercise the right to inspect automobile damage prior to repair within five business days following receipt of notification of claim. In other cases the inspection must be made in 15 days;

(4) regardless of whether the loss was total or partial, requiring unreasonable travel of a claimant or insured to inspect a replacement automobile, to obtain a repair estimate, to allow an insurer to inspect a repair estimate, to allow an insurer to inspect repairs made pursuant to policy requirements, or to have the automobile repaired;

(5) regardless of whether the loss was total or partial, if loss of use coverage exists under the insurance policy, failing to notify an insured at the time of the insurer's acknowledgment of claim, or sooner if inquiry is made, of the fact of the coverage, including the policy terms and conditions affecting the coverage and the manner in which the insured can apply for this coverage;

(6) regardless of whether the loss was total or partial, failing to include the insured's deductible in the insurer's demands under its subrogation rights. Subrogation recovery must be shared at least on a proportionate basis with the insured, unless the deductible amount has been otherwise recovered by the insured, except that when an insurer is recovering directly from an uninsured third party by means of installments, the insured must receive the full deductible share as soon as that amount is collected and before any part of the total recovery is applied to any other use. No deduction for expenses may be made from the deductible recovery unless an attorney is retained to collect the recovery, in which case deduction may be made only for a pro rata share of the cost of retaining the attorney;

(7) requiring as a condition of payment of a claim that repairs to any damaged vehicle must be made by a particular contractor or repair shop or that parts, other than window glass, must be replaced with parts other than original equipment parts;

(8) where liability is reasonably clear, failing to inform the claimant in an automobile property damage liability claim that the claimant may have a claim for loss of use of the vehicle;

(9) failing to make a good faith assignment of comparative negligence percentages in ascertaining the issue of liability;

(10) failing to pay any interest required by statute on overdue payment for an automobile personal injury protection claim;

(11) if an automobile insurance policy contains either or both of the time

limitation provisions as permitted by section 65B.55, subdivisions 1 and 2, failing to notify the insured in writing of those limitations at least 60 days prior to the expiration of that time limitation;

(12) if an insurer chooses to have an insured examined as permitted by section 65B.56, subdivision 1, failing to notify the insured of all of the insured's rights and obligations under that statute, including the right to request, in writing, and to receive a copy of the report of the examination;

*(13) if an automobile policy provides for the adjustment or settlement of an automobile loss due to damaged window glass, failing to assume all costs sufficient to pay the insured's chosen vendor for the replacement of comparable window glass. This clause does not prohibit an insurer from recommending a vendor to the insured.*

Sec. 8. [REPEALER.]

*Minnesota Statutes 1990, section 60A.176, subdivision 2, is repealed.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "insurance;" insert "modifying provisions relating to agency termination procedures;"

Page 1, line 3, after the semicolon, insert "providing for the adjustment or settlement of an automobile loss due to damaged window glass;"

Page 1, line 4, delete "section" and insert "sections 60A.176, subdivision 3; 60A.177, subdivisions 2, 4, 5, and by adding a subdivision;" and after "5a" insert "; and 72A.201, subdivision 6; repealing Minnesota Statutes 1990, section 60A.176, subdivision 2"

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

Mr. Solon from the Committee on Commerce, to which was referred

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.

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

Delete everything after the enacting clause and insert:

#### “ARTICLE 1

#### ALCOHOLIC BEVERAGES

Section 1. Minnesota Statutes 1990, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or nonintoxicating malt liquor license; ~~but~~. *The commissioner may not issue a license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.*

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or nonintoxicating malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 2. Minnesota Statutes 1990, section 340A.311, is amended to read:

#### 340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured ~~or~~, imported into, or sold in the state unless the brand

label has been registered with and approved by the commissioner. *A brand registration must be renewed every three years in order to remain in effect.* The fee for an initial brand registration is \$20. ~~The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for two years or more must be reregistered before its sale can be resumed.~~ The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor ~~which has not been sold in the state for at least three years for which the brand registration has expired,~~ is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) ~~A brand~~ *The label of any brand of wine or intoxicating or nonintoxicating malt beverage* may be registered only by the brand owner or authorized agent. No *such* brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 3. Minnesota Statutes 1990, section 340A.402, is amended to read:  
340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

- (1) a person not a citizen of the United States or a resident alien;
- (2) a person under 21 years of age;

(3) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; ~~or~~

- (4) a person not of good moral character and repute.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage; *or*

(5) *a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.*

Sec. 4. Minnesota Statutes 1990, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

- (1) hotels;
- (2) restaurants;
- (3) bowling centers;
- (4) clubs or congressionally chartered veterans organizations *with the approval of the commissioner,* provided that the organization has been in

existence for at least three years and liquor sales will only be to members and bona fide guests;

(5) sports facilities located on land owned by the metropolitan sports commission; and

(6) exclusive liquor stores.

Sec. 5. Minnesota Statutes 1990, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

~~(c) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in the city of Minneapolis or an entity holding a concessions contract with the owner for use on the premises of that sports arena. The license authorizes sales on all days of the week to holders of tickets for sporting events or other events at the sports arena and to the owner of the sports arena and the owner's guests. The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises.~~

Sec. 6. Minnesota Statutes 1990, section 340A.404, is amended by adding a subdivision to read:

*Subd. 2a. [CITY OF MINNEAPOLIS; ARENA.] (a) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale or combination on-sale and off-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in Minneapolis, or to an entity holding a concessions contract with the owner for use on the premises of that sports arena.*

*(b) The license authorizes sales on all days of the week to holders of tickets for events at the sports arena, and to the owners of the sports arena and the owners' guests.*

*(c) The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises unless such dispensing is authorized by the city. The city may not authorize the dispensing of intoxicating liquor at any event held under the auspices of the Minnesota state high school league.*

*(d) The license authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is within the sports arena building and is included in the description of the licensed premises on the approved license application.*

*(e) Notwithstanding any law or rule to the contrary, a person licensed to*



*make off-sales within the sports arena building may deliver alcoholic beverages to rooms and suites within the sports arena building (1) between midnight and 8:00 a.m. on Monday through Thursday, and (2) between midnight and 8:00 a.m. and between 10:00 p.m. and midnight on Friday through Sunday. No delivery authorized by this paragraph may be made to a room or suite within the building at any time when an event utilizing the room or suite is in progress.*

*(f) The holder of a license issued under this subdivision may dispense intoxicating liquor in miniature bottles if the intoxicating liquor is poured from the miniature bottles, mixed into another beverage, and dispensed on the premises by employees of the licensee.*

Sec. 7. Minnesota Statutes 1990, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, or club with the approval of the commissioner.

(b) A county board may also *with the approval of the commissioner* issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated ~~to a restaurant or club with the approval of the commissioner.~~ Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed ~~six~~ nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 8. Minnesota Statutes 1990, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph

is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route from the boundary of any statutory or home rule city ~~except cities of the first class or within Pine, Carlton, Carver, Itasca, or Red Lake county within one mile of a statutory or home rule city with that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of cities located outside of the metropolitan area as defined in section 473.121, subdivision 2, and with a population over 5,000 according to the most recent federal decennial census.~~

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 9. Minnesota Statutes 1990, section 340A.405, subdivision 6, is amended to read:

Subd. 6. [AIRPORTS COMMISSION.] The metropolitan airports commission may with the approval of the commissioner issue licenses for the off-sale of ~~Minnesota-produced~~ wine at the Minneapolis-St. Paul International Airport.

Sec. 10. Minnesota Statutes 1990, section 340A.4055, is amended to read:

#### 340A.4055 [LICENSES IN INDIAN COUNTRY.]

Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of intoxicating liquor or nonintoxicating malt liquor issued by the governing body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an Indian tribal member or Indian tribal entity for an establishment located within Indian country as defined under United States Code, title 18, section 1154, is valid ~~with the approval of the commissioner. The commissioner shall approve the license if the establishment has complied with sections 340A.402; 340A.409; 340A.410, subdivisions 4, 5, and 7; 340A.412, subdivisions 1 to 7, 9, and 10; 340A.413; 340A.501; 340A.502; 340A.503; 340A.504; and 340A.506.~~ When a license is issued under this section, the issuing authority shall notify the commissioner of public safety of the name and address of the licensee. Upon receipt of the notice, the commissioner shall issue a retailer's identification card to the licensee to permit the licensee to purchase distilled spirits, wine, or malt beverages containing more than 3.2 percent of alcohol by weight from any manufacturer or wholesale distributor licensed under this chapter or any agent or representative of the manufacturer or distributor. An establishment issued a license under this ~~subdivision~~ section is not required to obtain a license from any municipality, county, or town.

Sec. 11. Minnesota Statutes 1990, section 340A.408, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] (a) The license fee for a retail on-sale intoxicating liquor license is the fee set by the city or

county issuing the license subject to the limitations imposed under this subdivision.

(b) The annual license fee for an on-sale intoxicating liquor license issued by a ~~city municipality~~ to a club must be no greater than:

- (1) \$300 for a club with under 200 members;
- (2) \$500 for a club with between 201 and 500 members;
- (3) \$650 for a club with between 501 and 1,000 members;
- (4) \$800 for a club with between 1,001 and 2,000 members;
- (5) \$1,000 for a club with between 2,001 and 4,000 members;
- (6) \$2,000 for a club with between 4,001 and 6,000 members; or
- (7) \$3,000 for a club with over 6,000 members.

(c) The license fee for the issuance of a wine license may not exceed one-half of the license fee charged for an on-sale intoxicating liquor license, or \$2,000, whichever is less.

(d) The town board of a town in which an on-sale establishment has been licensed by a county may impose an additional license fee on each such establishment in an amount not to exceed 20 percent of the county license fee.

Sec. 12. Minnesota Statutes 1990, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized ~~under~~ by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 13. Minnesota Statutes 1990, section 340A.412, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION OF ON-SALE LICENSES.] (a) The city or county having jurisdiction over on-sale licenses to sell intoxicating liquor shall on initial application for an on-sale license or on application for a transfer of an existing license conduct a preliminary background and financial investigation of the applicant. The application must be in the form prescribed by the ~~bureau of criminal apprehension~~ commissioner and with any additional information as the governing body of the city or county having jurisdiction over the license requires. If the governing body of the city or county having jurisdiction determines or if the ~~bureau of criminal apprehension~~ commissioner on ~~its~~ the commissioner's own initiative determines that a comprehensive background and investigation of the applicant is necessary, the governing body may conduct the investigation itself or contract with the ~~bureau of criminal apprehension~~ commissioner for the

investigation. In addition, an investigation may be required prior to renewal of an existing on-sale license when the governing body of the city or county deems it in the public interest. An investigation fee not to exceed \$500 shall be charged an applicant by the city or county if the investigation is conducted within the state, or the actual cost not to exceed \$10,000 if the investigation is required outside the state.

(b) No license may be issued, transferred, or renewed if the results of the investigation show, to the satisfaction of the governing body, that issuance, transfer, or renewal would not be in the public interest.

Sec. 14. Minnesota Statutes 1990, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] ~~(a) No more than one off-sale intoxicating liquor license may be directly or indirectly issued to any one person or for any one place in each city or county.~~

~~(b) For the purpose of this subdivision, the term "interest":~~

~~(1) includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, and a person who receives money from time to time directly or indirectly from a licensee, in the absence of consideration and excluding gifts or donations, has a pecuniary interest in the retail license; and~~

~~(2) does not include loans; rental agreements; open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures, supplies to the establishment; an interest in a corporation owning or operating a hotel but having at least 150 or more rental units holding a liquor license in conjunction therewith; or ten percent or less interest in any other corporation holding a license.~~

~~(c) In determining whether an "interest" exists, the transaction must have been bona fide and the reasonable value of the goods and things received as consideration for a payment by the licensee and all other facts reasonably tending to prove or disprove the existence of a purposeful scheme or arrangement to evade the restrictions of this subdivision must be considered. A municipality may not issue directly or indirectly more than one off-sale intoxicating liquor license to any one person or for any one place.~~

Sec. 15. Minnesota Statutes 1990, section 340A.412, is amended by adding a subdivision to read:

*Subd. 12. [OFF-SITE STORAGE PROHIBITION.] A holder of a retail intoxicating liquor license or a municipal liquor store may not store any intoxicating liquor at any location other than the licensed premises except with the written permission of the commissioner.*

Sec. 16. Minnesota Statutes 1990, section 340A.413, subdivision 1, is amended to read:

Subdivision 1. [ON-SALE LICENSES.] No on-sale intoxicating liquor license may be issued in any city except as provided in this section in excess of the following limits:

(1) in cities of the first class, one license for every 1,500 population, up to 200 licenses;

(2) in cities of the second class, not more than 18 licenses plus one for every 2,500 population over 45,000;

(3) in cities of the third class, not more than 12 licenses;

(4) in cities of the fourth class, *including cities whose acts of incorporation were repealed by Laws 1973, chapter 123, article V, section 5*, not more than seven licenses;

(5) in statutory cities of 5,000 to 10,000 population, not more than six licenses;

(6) in statutory cities of 2,500 to 5,000 population, not more than five licenses;

(7) in statutory cities of 500 to 2,500 population, not more than four licenses; and

(8) in statutory cities under 500 population, not more than three licenses.

Sec. 17. Minnesota Statutes 1990, section 340A.414, subdivision 4, is amended to read:

Subd. 4. [PERMIT EXPIRATION.] All permits issued under this section expire on ~~June 30~~ *March 31* of each year.

Sec. 18. Minnesota Statutes 1990, section 340A.414, subdivision 8, is amended to read:

Subd. 8. [LOCKERS.] A club issued a permit under this section may allow members to bring and keep a personal supply of intoxicating liquor in lockers on the club's premises. All bottles kept on the premises must have attached to it a label signed by the member. No person under ~~19~~ *21* years of age may keep a supply of intoxicating liquor on club premises.

Sec. 19. Minnesota Statutes 1990, section 340A.415, is amended to read:  
340A.415 [LICENSE REVOCATION OR SUSPENSION.]

The authority issuing or approving any retail license or permit under this chapter shall either suspend for up to 60 days or revoke the license or permit or impose a civil fine not to exceed \$2,000 for each violation on a finding that the license or permit holder has failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages. No suspension or revocation takes effect until the license or permit holder has been afforded an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearing. The issuing authority or the commissioner may impose the penalties provided in this section on a retail licensee who knowingly (1) sells alcoholic beverages to another retail licensee for the purpose of resale, ~~or on a retail licensee who~~ (2) purchases alcoholic beverages from another retail licensee for the purpose of resale, (3) *conducts or permits the conduct of gambling on the licensed premises in violation of the law, or (4) fails to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 24.*

Sec. 20. Minnesota Statutes 1990, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, *municipal*

*liquor store*, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises *or within the municipal liquor store*; or

(2) person under the age of 21 years to consume any alcoholic beverages. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

Sec. 21. Minnesota Statutes 1990, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except ~~as provided that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.~~

Sec. 22. Minnesota Statutes 1990, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A ~~municipality~~ *city* may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the ~~municipality~~ *city* voting on the question at a general or special election. *A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.*

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan

airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 for each duplicate.

Sec. 23. Minnesota Statutes 1990, section 340A.506, is amended to read:

**340A.506 [SALES OF ETHYL ALCOHOL AND NEUTRAL SPIRITS PROHIBITED.]**

*Subdivision 1. [ETHYL ALCOHOL; NEUTRAL SPIRITS.] No person may sell at retail for beverage purposes ethyl alcohol or neutral spirits, or substitutes thereof, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits. Nothing in this section prohibits the manufacture or sale of other products obtained by use of ethyl alcohol or neutral spirits as defined in United States Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.*

*Subd. 2. [MAXIMUM ALCOHOL CONTENT.] No person may sell for beverage purposes any spirits, distilled from grain or corn, with an alcohol content of more than 80 percent which equals 160 proof, unless such spirits have been aged in wood casks for not less than two years.*

Sec. 24. Minnesota Statutes 1990, section 340A.508, is amended by adding a subdivision to read:

*Subd. 3. [PURITY OF CONTENTS.] The commissioner may examine the contents of any container of alcoholic beverages on the premises of any licensee under this chapter or any municipal liquor store, for the purpose of determining the purity of the alcoholic beverages. The commissioner may remove any container, or remove all or part of the contents thereof, for the purpose of conducting tests of purity. The commissioner may order the removal from inventory of any container the contents of which fail to meet standards of purity established by rules adopted under this subdivision, and may order the disposal of the contents. The commissioner may adopt rules that (1) provide standards of purity for alcoholic beverages and procedures for testing for purity, and (2) govern the removal from inventory and disposal of alcoholic beverages that do not meet the commissioner's standards of purity.*

Sec. 25. Minnesota Statutes 1990, section 340A.601, subdivision 5, is amended to read:

**Subd. 5. [ISSUANCE OF LICENSES TO PRIVATE PERSONS.]** A city owning and operating a municipal liquor store may issue on-sale liquor licenses to hotels, clubs, and restaurants. A city issuing on-sale licenses under this subdivision may continue to operate the municipal liquor store or may resume operation of a municipal liquor store previously discontinued.

The number of on-sale licenses issued under this section by a city is governed by section 340A.413.

A city may not issue licenses under this section, *other than a license issued to a club under section 340A.404, subdivision 1, clause (4)*, until authorized by the voters of the city voting on the question at a special election called for that purpose.

Sec. 26. Minnesota Statutes 1990, section 340A.604, is amended to read:

**340A.604 [SUSPENSION OF OPERATION.]**

A court shall notify the commissioner in writing within ten days whenever a municipal officer or employee has been convicted of any of the following offenses committed in a municipal liquor store:

- (1) selling alcoholic beverages to persons or at times prohibited by law;
  - (2) selling alcoholic beverages for resale;
  - (3) selling alcoholic beverages on which state taxes have not been paid;
- or
- (4) violating the provisions of section 340A.410, subdivision 65, relating to gambling and gambling devices.

On receiving the notice of conviction the commissioner may suspend for up to 30 days the operation of the municipal liquor store where the offense occurred. The commissioner must notify in writing the municipality operating the store of the effective dates of the suspension. An appeal of the suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 27. [340A.91] [CONFECTIONERY CONTAINING ALCOHOL.]

*Subdivision 1. [RESTRICTIONS.] A confectionery that bears or contains alcohol in excess of one-half of one percent by volume and less than five percent by volume:*

- (1) may not be sold to persons under the age of 21;*
- (2) must be labeled with a conspicuous readily legible statement that reads: "This product may not be sold to anyone under 21 years of age;"*
- (3) may not be sold in a form containing liquid alcohol;*
- (4) must be labeled with a conspicuous, readily legible statement that the product contains not more than five percent alcohol by volume; and*
- (5) may only be sold in a business establishment which derives more than 50 percent of its gross sales from the sale of confectioneries or in an exclusive liquor store.*

*Subd. 2. [EXEMPTION.] Subdivision 1 does not apply to liqueur-filled candy.*

Sec. 28. [ST. LOUIS COUNTY LICENSE.]

*Notwithstanding any law to the contrary, the St. Louis county board may issue a license for the on-sale of intoxicating malt liquor to an establishment located in township 61, range 18, section 29, parcel no. 2150010050251. The county board shall set the fee for the license. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.*

Sec. 29. [CITY OF ALEXANDRIA; SUNDAY LIQUOR LICENSE.]

*Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), the city of Alexandria may issue licenses authorizing on-sales of intoxicating liquor on Sunday to restaurants and bowling centers in the city without authorization by the voters of the city. All other provisions of Minnesota Statutes, chapter 340A, apply to a license issued under this section.*

Sec. 30. [ON-SALE LICENSES; CITY OF VIRGINIA.]



*Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Virginia may issue not more than 21 on-sale intoxicating liquor licenses. The licenses authorized by this section include any licenses which the city may issue by special law or by a referendum conducted under section 340A.413, subdivision 3, before the effective date of this section. All other provisions of Minnesota Statutes, chapter 340A, including section 340A.413, subdivision 4, not inconsistent with this section apply to licenses issued under this section.*

Sec. 31. [TRANSITION.]

*Notwithstanding Minnesota Statutes, section 340A.414, subdivision 4, all consumption and display permits issued by the commissioner of public safety that expire June 30, 1991, are extended and are valid until March 31, 1992.*

Sec. 32. [REPEALER.]

*Subdivision 1. [SEASONAL LICENSE AUTHORITY.] Minnesota Statutes 1990, section 340A.404, subdivision 6a, is repealed.*

*Subd. 2. [VIRGINIA SPECIAL LAW.] Laws 1974, chapter 501, section 1, is repealed.*

Sec. 33. [EFFECTIVE DATE; APPLICATION.]

*Section 8 applies to new licenses issued on or after August 1, 1991. Sections 17 and 31 are effective June 1, 1991. Section 28 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021. Section 29 is effective on approval by the Alexandria city council and compliance with Minnesota Statutes, section 645.021. Section 30 and section 32, subdivision 2, are effective on approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

## ARTICLE 2

### 3.2 PERCENT MALT LIQUOR PROVISIONS

Section 1. Minnesota Statutes 1990, section 340A.101, subdivision 10, is amended to read:

Subd. 10. [EXCLUSIVE LIQUOR STORE.] "Exclusive liquor store" is an establishment used exclusively for the sale of intoxicating liquor except for the incidental sale of ice, tobacco, ~~nonintoxicating~~ 3.2 percent malt liquor, beverages for mixing with intoxicating liquor, soft drinks, liqueur-filled candies, cork extraction devices, and books and videos on the use of alcoholic beverages in the preparation of food, and the establishment may offer recorded or live entertainment. "Exclusive liquor store" also includes an on-sale or combination on-sale and off-sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license.

Sec. 2. Minnesota Statutes 1990, section 340A.101, subdivision 19, is amended to read:

Subd. 19. [~~NONINTOXICATING~~ 3.2 PERCENT MALT LIQUOR.] "~~Nonintoxicating~~ 3.2 percent malt liquor" is malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight.

Sec. 3. Minnesota Statutes 1990, section 340A.301, subdivision 1, is

amended to read:

Subdivision 1. [LICENSES REQUIRED.] No person may directly or indirectly manufacture or sell at wholesale intoxicating liquor, or ~~nonintoxicating 3.2 percent~~ malt liquor without obtaining an appropriate license from the commissioner, except where otherwise provided in this chapter. A manufacturer's license includes the right to import. A licensed brewer may sell the brewer's products at wholesale only if the brewer has been issued a wholesaler's license. The commissioner shall issue a wholesaler's license to a brewer only if (1) the commissioner determines that the brewer was selling the brewer's own products at wholesale in Minnesota on January 1, 1991, or (2) the brewer has acquired a wholesaler's business or assets under subdivision 7a, paragraph (c) or (d). A licensed wholesaler of intoxicating malt liquor may sell ~~nonintoxicating 3.2 percent~~ malt liquor at wholesale without an additional license.

Sec. 4. Minnesota Statutes 1990, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$7,500
Duplicates	\$3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers other than those described in clause (d)	\$1,250
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than 2,000 barrels of malt liquor in a year, the entire production of which is solely for consumption on tap on the licensed premises	\$ 250
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$7,500
Duplicates	\$3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 750
(g) Wholesalers of intoxicating malt liquor	\$ 300
Duplicates	\$ 15
(h) Wholesalers of <del>nonintoxicating 3.2 percent</del> malt liquor	\$ 10

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 5. Minnesota Statutes 1990, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided

in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or ~~nonintoxicating 3.2 percent malt liquor~~ license, but a manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales if the manufacturer or wholesaler has owned the property continuously since November 1, 1933.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or ~~nonintoxicating 3.2 percent malt liquor~~ license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 6. Minnesota Statutes 1990, section 340A.308, is amended to read:  
340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) This section does not prohibit a manufacturer or wholesaler from:

- (1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;
- (2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;
- (3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;
- (4) using or renting property owned continuously since November 1, 1933, for the purpose of selling intoxicating or ~~nonintoxicating 3.2 percent malt liquor~~ at retail; or
- (5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of non-alcoholic beverages only.

Sec. 7. Minnesota Statutes 1990, section 340A.310, is amended to read:  
340A.310 [SALES TO WHOLESALERS.]

A wholesaler may sell intoxicating liquor or ~~nonintoxicating 3.2 percent malt liquor~~ only to municipal liquor stores, government instrumentalities, or holders of alcoholic beverage licenses issued under this chapter.

Sec. 8. Minnesota Statutes 1990, section 340A.311, is amended to read:  
340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or ~~nonintoxicating 3.2 percent~~ malt liquor may not be manufactured or imported into the state unless the brand label has been registered with and approved by the commissioner. The fee for brand registration is \$20. The brand label of a brand of intoxicating liquor or ~~nonintoxicating 3.2 percent~~ malt liquor which has not been sold in the state for two years or more must be reregistered before its sale can be resumed. The brand label of a brand of intoxicating liquor or ~~nonintoxicating 3.2 percent~~ malt liquor which has not been sold in the state for at least three years is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) A brand label may be registered only by the brand owner or authorized agent. No brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 9. Minnesota Statutes 1990, section 340A.403, is amended to read:

340A.403 [~~NONINTOXICATING 3.2 PERCENT MALT LIQUOR~~ LICENSES.]

Subdivision 1. [~~ISSUANCE BY COUNTY OR CITY.~~] The governing body of a city or county may issue off-sale or on-sale licenses for the sale of ~~nonintoxicating 3.2 percent~~ malt liquor within their respective jurisdictions.

Subd. 2. [~~TEMPORARY LICENSES.~~] (a) A club or charitable, religious, or nonprofit organization may be issued a temporary on-sale license for the sale of ~~nonintoxicating 3.2 percent~~ malt liquor.

(b) The temporary license may authorize the sale of ~~nonintoxicating 3.2 percent~~ malt liquor in any school or school buildings.

(c) Temporary licenses are subject to the terms set by the issuing county or city.

Subd. 3. [~~EXEMPTION.~~] (a) Any person licensed to sell intoxicating liquor at on-sale shall not be required to obtain an on-sale license under this section, and may sell ~~nonintoxicating 3.2 percent~~ malt beverages at on-sale without further license.

(b) Any person licensed to sell intoxicating liquor at off-sale shall not be required to obtain an off-sale license under this section, and may sell ~~nonintoxicating 3.2 percent~~ malt beverages at off-sale without further license.

Sec. 10. Minnesota Statutes 1990, section 340A.404, subdivision 5, is amended to read:

Subd. 5. [~~WINE LICENSES.~~] (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is

also licensed to sell ~~nonintoxicating~~ 3.2 percent malt liquors at on-sale pursuant to section 340A.411, and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility.

Sec. 11. Minnesota Statutes 1990, section 340A.4055, is amended to read:

340A.4055 [LICENSES IN INDIAN COUNTRY.]

Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of intoxicating liquor or ~~nonintoxicating~~ 3.2 percent malt liquor issued by the governing body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an Indian tribal member or Indian tribal entity for an establishment located within Indian country as defined under United States Code, title 18, section 1154, is valid with the approval of the commissioner. The commissioner shall approve the license if the establishment has complied with sections 340A.402; 340A.409; 340A.410, subdivisions 4, 5, and 7; 340A.412, subdivisions 1 to 7, 9, and 10; 340A.413; 340A.501; 340A.502; 340A.503; 340A.504; and 340A.506. An establishment issued a license under this subdivision is not required to obtain a license from any municipality, county, or town.

Sec. 12. Minnesota Statutes 1990, section 340A.407, is amended to read:

340A.407 [COMMON CARRIERS.]

The commissioner may issue an on-sale license to a person certificated by either the state or the United States of America, or an agency thereof, as a common carrier engaged in the business of transporting persons for hire in interstate or intrastate commerce to sell intoxicating or ~~nonintoxicating~~ 3.2 percent malt liquor in a place where meals are sold. A license issued under this subdivision only authorizes the sale of intoxicating or ~~nonintoxicating~~ 3.2 percent malt liquor to a bona fide passenger who is actually being transported in interstate or intrastate commerce.

Sec. 13. Minnesota Statutes 1990, section 340A.408, subdivision 1, is amended to read:

Subdivision 1. [~~NONINTOXICATING~~ 3.2 PERCENT MALT LIQUOR.]

(a) The license fee for an on-sale and off-sale ~~nonintoxicating~~ 3.2 percent malt liquor license is the fee set by the county or city issuing the license.

(b) One-half of the license fee received by a county for a retail license to sell ~~nonintoxicating~~ 3.2 percent malt liquor within any town in the county shall be paid to the town board where the business is located.

Sec. 14. Minnesota Statutes 1990, section 340A.408, subdivision 4, is amended to read:

Subd. 4. [LAKE SUPERIOR TOUR BOATS; COMMON CARRIERS.]

(a) The annual license fee for licensing of Lake Superior tour boats under section 340A.404, subdivision 8, shall be \$1,000.

(b) The annual license fee for common carriers licensed under section 340A.407 is:

(1) \$25 for ~~nonintoxicating 3.2 percent~~ malt liquor, and \$2 for a duplicate license; and

(2) \$100 for intoxicating liquor, and \$10 for a duplicate license.

Sec. 15. Minnesota Statutes 1990, section 340A.408, subdivision 5, is amended to read:

Subd. 5. [REFUNDS.] A pro rata share of an annual license fee for a retail license to sell intoxicating or ~~nonintoxicating 3.2 percent~~ malt liquor, either on-sale or off-sale, may be refunded to the licensee or to the licensee's estate if:

(1) the business ceases to operate because of destruction or damage;

(2) the licensee dies;

(3) the business ceases to be lawful for a reason other than a license revocation; or

(4) the licensee ceases to carry on the licensed business under the license.

Sec. 16. Minnesota Statutes 1990, section 340A.409, subdivision 4, is amended to read:

Subd. 4. [INSURANCE NOT REQUIRED.] Subdivision 1 does not apply to licensees who by affidavit establish that:

(1) they are on-sale ~~nonintoxicating 3.2 percent~~ malt liquor licensees with sales of less than \$10,000 of ~~nonintoxicating 3.2 percent~~ malt liquor for the preceding year;

(2) they are off-sale ~~nonintoxicating 3.2 percent~~ malt liquor licensees with sales of less than \$20,000 of ~~nonintoxicating 3.2 percent~~ malt liquor for the preceding year;

(3) they are holders of on-sale wine licenses with sales of less than \$10,000 for wine for the preceding year; or

(4) they are holders of temporary wine licenses issued under law.

Sec. 17. Minnesota Statutes 1990, section 340A.411, is amended to read:

340A.411 [LICENSE RESTRICTIONS; ~~NONINTOXICATING 3.2 PERCENT MALT LIQUOR LICENSES.~~]

Subdivision 1. [ON-SALE LICENSES.] On-sale ~~nonintoxicating 3.2 percent~~ liquor licenses may only be issued to drugstores, restaurants, hotels, clubs, bowling centers, and establishments used exclusively for the sale of ~~nonintoxicating 3.2 percent~~ malt liquor with the incidental sale of tobacco and soft drinks.

Subd. 2. [LICENSE DURATION.] All retail ~~nonintoxicating 3.2 percent~~ malt liquor licenses must be issued for one year, except that for the purpose of coordinating the time of expiration of licenses in general, licenses may be issued for a shorter time, in which case a pro rata license fee must be charged.

Sec. 18. Minnesota Statutes 1990, section 340A.412, subdivision 6, is amended to read:

Subd. 6. [OFF-SALE LICENSES WHERE ~~NONINTOXICATING 3.2 PERCENT MALT LIQUOR IS SOLD.~~] An off-sale intoxicating liquor license may not be issued to a place where ~~nonintoxicating 3.2 percent~~ malt

liquor is sold for consumption on the premises. This subdivision does not apply to those places where both an on-sale and off-sale license or a combination license have been issued under section 340A.406.

Sec. 19. Minnesota Statutes 1990, section 340A.414, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR PERMIT.] (a) The commissioner may issue a permit under this section only to:

(1) an applicant who has not, within five years prior to the application, been convicted of a felony or of violating any provision of this chapter or rule adopted under this chapter;

(2) a restaurant;

(3) a hotel;

(4) an establishment licensed for the sale of ~~nonintoxicating~~ 3.2 percent malt liquor;

(5) a resort as defined in section 157.01; and

(6) a club as defined in section 340A.101, subdivision 7, or an unincorporated club otherwise meeting that definition.

(b) The commissioner may not issue a permit to a club holding an on-sale intoxicating liquor license.

Sec. 20. Minnesota Statutes 1990, section 340A.504, subdivision 1, is amended to read:

Subdivision 1. [~~NONINTOXICATING~~ 3.2 PERCENT MALT LIQUOR.] No sale of ~~nonintoxicating~~ 3.2 percent malt liquor may be made between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 1:00 a.m. and 12:00 noon on Sunday, provided that an establishment located on land owned by the metropolitan sports commission, or the sports arena for which one or more licenses have been issued under section 340A.404, subdivision 2, paragraph (c), may sell ~~nonintoxicating~~ 3.2 percent malt liquor between 10:00 a.m. and 12:00 noon on a Sunday on which a sports or other event is scheduled to begin at that location on or before 1:00 p.m. of that day.

Sec. 21. Minnesota Statutes 1990, section 340A.504, subdivision 6, is amended to read:

Subd. 6. [MUNICIPALITIES MAY LIMIT HOURS.] A municipality may further limit the hours of sale of alcoholic beverages, provided that further restricted hours must apply equally to sales of ~~nonintoxicating~~ 3.2 percent malt liquor and intoxicating liquor. A city may not permit the sale of alcoholic beverages during hours when the sale is prohibited by this section.

Sec. 22. Minnesota Statutes 1990, section 340A.601, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] A city having a population of not more than 10,000 may establish, own, and operate a municipal liquor store which may sell at retail intoxicating liquor, ~~nonintoxicating~~ 3.2 percent malt liquor, tobacco products, ice, soft drinks, beverages for mixing intoxicating liquor, and food for consumption on the premises. A municipal liquor store may also offer recorded or live entertainment and make available coin-operated

amusement devices.

Sec. 23. Minnesota Statutes 1990, section 340A.903, is amended to read:  
340A.903 [SIZE OF CONTAINERS.]

Notwithstanding any law or rule to the contrary, ~~nonintoxicating~~ 3.2 percent malt liquor may be sold in containers of not more than 128 fluid ounces."

Delete the title and insert:

"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; requiring that sales and deliveries from a wholesaler's warehouse be for consumption in Minnesota only; 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 for sale of intoxicating liquor at a sports arena in Minneapolis; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; providing for the issuance of retailer identification cards to certain licensees; 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 on-sale Sunday liquor licenses by the city of Alexandria; specifying the number of on-sale licenses which may be issued in the city of Virginia; changing the name of nonintoxicating malt liquor; amending Minnesota Statutes 1990, sections 340A.101, subdivisions 10 and 19; 340A.301, subdivisions 1, 6, and 7; 340A.308; 340A.310; 340A.311; 340A.402; 340A.403; 340A.404, subdivisions 1, 2, 5, 6, and by adding a subdivision; 340A.405, subdivisions 2 and 6; 340A.4055; 340A.407; 340A.408, subdivisions 1, 2, 4, and 5; 340A.409, subdivision 4; 340A.410, subdivision 5; 340A.411; 340A.412, subdivisions 2, 3, 6, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 2, 4, and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 1, 2, 3, and 6; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivisions 1 and 5; 340A.604; and 340A.903; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing



Minnesota Statutes 1990, section 340A.404, subdivision 6a; and Laws 1974, chapter 501, section 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. 490: A bill for an act relating to state lands; directing sale of two tracts of state-owned land in St. Louis county.

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

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF STATE LANDS IN ST. LOUIS COUNTY.]

*The commissioner of natural resources shall sell two tracts of state-owned land, described in leases #144-43-1501 and #144-43-1502, situated in the Northeast Quarter of the Northeast Quarter of Section 2, Township 57 North, Range 18 West, St. Louis county, and leased under Minnesota Statutes, section 92.50. The lands must be sold before December 31, 1991. The sales are governed by Minnesota Statutes, section 92.67, to the extent consistent with this section.*

Sec. 2. [CONVEYANCE OF LAND TO CITY OF ANOKA.]

*(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, 94.10, and 103F.335, subdivision 3, after the commissioner of human services has certified under section 94.09, subdivision 2, that the land bordering public waters described in paragraph (d) is no longer needed, the commissioner of administration may convey the land to the city of Anoka for a public works facility.*

*(b) The conveyance must be in a form approved by the attorney general and must provide that the land, and any buildings and other improvements on the land, revert to the state if the property ceases to be used by the city of Anoka for a public works facility.*

*(c) As consideration for the conveyance, the city of Anoka shall:*

*(1) agree to provide snow removal services for the Anoka-metro regional treatment center under a contract with the commissioner of administration, the terms of which must be negotiated by the commissioner and the city; and*

*(2) convey to the commissioner of natural resources a scenic easement, as defined in Minnesota Statutes, section 103F.311, subdivision 6, on that portion of the conveyed land that has been designated for inclusion in the wild and scenic rivers system under Minnesota Statutes, section 103F.325.*

*The scenic easement must allow construction of a stormwater retention pond within the area covered by the easement in accordance with construction plans approved by the commissioner of natural resources.*

*(d) The land that may be conveyed is a parcel of approximately six acres located on the campus of the Anoka-metro regional treatment center in Anoka county and is described as:*

*That part of Government Lots 1 and 2, Section 6, Township 31, Range*

24, Anoka County, Minnesota, lying northerly of the northerly right-of-way line of Burlington Northern Railroad Company, southerly of the westerly extension of the south line of Block 6, Woodbury's Addition to Anoka, and westerly of the west line of Fourth Avenue.

Sec. 3. [LAND EXCHANGE.]

*Notwithstanding Minnesota Statutes, chapter 94, the state university board may enter into an agreement with the city of St. Cloud to exchange parcels of land. The conveyances must be made for no monetary consideration and by quitclaim deed in a form approved by the attorney general. Before the conveyances, the state university board and the city of St. Cloud shall enter an agreement on temporary easements on the parcels of land to be exchanged.*

Sec. 4. [SURPLUS LAND CONVEYANCE; CITY OF ST. CLOUD.]

*(a) Notwithstanding Minnesota Statutes, chapter 94, or any other law to the contrary, the commissioner of administration shall sell to the city of St. Cloud all or any portion of three parcels of land the city desires to purchase, all three parcels being adjacent to the Minnesota correctional facility in St. Cloud.*

*(b) The conveyance must be in a form approved by the attorney general and for a consideration of its appraised value as determined by the commissioner. The city of St. Cloud shall reimburse the commissioner for the appraisal costs.*

*(c) The approximate acres of each of the parcels is 46 acres, 78 acres, and 31 acres.*

*(d) This property is surplus and not needed by the department of corrections. A survey provided by the city of St. Cloud will govern the legal description.*

Sec. 5. [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; requiring the sale of two tracts of state-owned land in St. Louis county; authorizing the conveyance of state land to the city of Anoka; authorizing a land exchange between the city of St. Cloud and the state university board; authorizing the commissioner of administration to sell certain surplus lands to the city of St. Cloud."*

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. 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.

Reports the 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 182.651, is amended by adding a subdivision to read:

*Subd. 21. [AFFECTED EMPLOYEE.] "Affected employee" means a current employee of a cited employer who is exposed within the scope of employment to the alleged hazard described in the citation.*

Sec. 2. Minnesota Statutes 1990, section 182.651, is amended by adding a subdivision to read:

*Subd. 22. [AUTHORIZED EMPLOYEE REPRESENTATIVE.] "Authorized employee representative" means a labor organization that has a collective bargaining relationship with the cited employer and that represents affected employees.*

Sec. 3. Minnesota Statutes 1990, section 182.651, is amended by adding a subdivision to read:

*Subd. 23. [RESPONDENT.] "Respondent" means a person against whom a complaint has been issued or served.*

Sec. 4. Minnesota Statutes 1990, section 182.653, subdivision 9, is amended to read:

*Subd. 9. [STANDARD INDUSTRIAL CLASSIFICATION LIST.] The commissioner shall adopt, in accordance with section 182.655, a rule specifying a list of standard industrial classifications of employers who must comply with subdivision 8. The commissioner shall demonstrate the need to include each industrial classification on the basis of the safety record or workers' compensation record of that industry segment. An employer must comply with subdivision 8 six months following the date the standard industrial classification that applies to the employee is placed on the list. An employer having less than 51 employees must comply with subdivision 8 six months following the date the standard industrial classification that applies to the employee is placed on the list or by July 1, 1993, whichever is later. The list shall be updated every two years.*

Sec. 5. Minnesota Statutes 1990, section 182.661, subdivision 1, is amended to read:

*Subdivision 1. If, after an inspection or investigation, the commissioner issues a citation under section 182.66, the commissioner shall notify the employer by certified mail of the penalty, if any, proposed to be assessed under section 182.666 and that the employer has ~~15 working~~ 20 calendar days within which to ~~notify the commissioner in writing~~ file a notice of contest and certification of service, on a form provided by the commissioner, indicating that the employer wishes to contest the citation, type of violation, proposed assessment of penalty, or the period of time fixed in the citation given for correction of violation. A copy of the citation and the proposed assessment of penalty shall also be mailed to the ~~bargaining~~ authorized employee representative and, in the case of the death of an employee, to the next of kin if requested and ~~designated representative of the employee if known to the department of labor and industry~~. If within ~~15 working~~ 20 calendar days from the receipt of the penalty notice issued by the commissioner the employer fails to ~~notify the commissioner in writing that the employer intends to contest the citation or proposed assessment of penalty~~ file the notice of contest, and no notice ~~contesting either the citation, the type of violation, proposed penalty, or the time fixed for abatement in the citation of contest~~ is filed by any employee or authorized representative of*

employees under subdivision 3 within such time, the citation and assessment, as proposed, shall be deemed a final order of the ~~board~~ commissioner and not subject to review by any court or agency.

Sec. 6. Minnesota Statutes 1990, section 182.661, subdivision 2, is amended to read:

Subd. 2. If the commissioner has reason to believe that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the entry of a final order by the ~~board~~ commissioner in case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, the commissioner shall notify the employer by certified mail of such failure and of the penalty proposed to be assessed under section 182.666 by reason of such failure, and that the employer has ~~15 working~~ 20 calendar days within which to ~~notify in writing the commissioner~~ file a notice of contest and certification of service, on a form provided by the commissioner, indicating that the employer wishes to contest the commissioner's notification or the proposed assessment of penalty. If, within ~~15 working~~ 20 calendar days from the receipt of penalty notification issued by the commissioner, the employer fails to ~~notify in writing the commissioner~~ file the notice of contest indicating that the employer intends to contest the notification or proposed assessment of penalty, the penalty notification and assessment, as proposed, shall be deemed a final order of the ~~board~~ commissioner and not subject to review by any court or agency.

Sec. 7. Minnesota Statutes 1990, section 182.661, subdivision 2a, is amended to read:

Subd. 2a. The commissioner may bring an action in district court for injunctive or other appropriate relief including monetary damages if the employer fails to comply with a final order of the ~~board~~ commissioner.

Sec. 8. Minnesota Statutes 1990, section 182.661, subdivision 3, is amended to read:

Subd. 3. If an employer notifies the commissioner that the employer intends to contest the citation or the proposed assessment of penalty or the employee or the *authorized* employee representative notifies the commissioner that the employee intends to contest the time fixed for abatement in the citation issued under section 182.66, the citation, the type of alleged violation, the proposed penalty, or notification issued under subdivisions 1 or 2, the ~~board~~ commissioner shall ~~conduct~~ resolve the matter by settlement agreement, petition the board for a decision based on stipulated facts, or refer the matter to the office of administrative hearings for a hearing in accordance with the applicable provisions of chapter 14, ~~for hearings in contested cases~~. Where the commissioner refers a matter for a contested case hearing, the administrative law judge shall make findings of fact, conclusions of law, and any appropriate orders. The determinations shall be the final decision of the commissioner and may be appealed to the board by any party. The rules of procedure prescribed by the ~~board~~ commissioner shall provide affected employees or *authorized* representatives of affected employees an opportunity to participate as parties to hearings under this subdivision. Upon receipt of notice of hearing under this subdivision, the employer shall serve such notice as required by rule.

Sec. 9. Minnesota Statutes 1990, section 182.661, subdivision 3a, is

amended to read:

Subd. 3a. As prescribed in rules issued by the ~~board~~ commissioner, each notice of intent to contest the citation, proposed assessment of penalty, or period of time fixed in the citation for correction of the violation shall be prominently posted at or near each place a violation referred to in the citation occurred or served on affected employers, employees, and authorized employee representatives. If the contesting employer, employee, or ~~authorized employee representation~~ representative fails to post or serve the notice of intent to contest the citation, the proposed assessment of penalty, or the period of time fixed for correction of the violation within the time prescribed in rules issued by the ~~board~~ commissioner, the ~~board~~ administrative law judge may render a default judgment in favor of the commissioner.

Sec. 10. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

*Subd. 3b. [SERVICE OF NOTICES.] The contesting party shall serve a copy of the notice of contest and notice to employees, on forms provided by the commissioner, upon unrepresented affected employees and authorized employee representatives on or before the date the notice of contest is filed with the commissioner. For purposes of this section, a document is considered filed upon receipt by the commissioner.*

Sec. 11. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

*Subd. 5. [SETTLEMENT.] Where the parties resolve a contested matter by settlement agreement, the contesting party shall serve a copy of the agreement upon affected employees and authorized employee representatives. Affected employees and authorized employee representatives may file, with the commissioner, an objection to the settlement agreement. The objections must be filed within ten calendar days after service of the agreement. Upon receipt of an objection to a settlement agreement, the commissioner may refer the agreement to the office of administrative hearings for assignment to an administrative law judge who shall give consideration to the objection before approving or disapproving the agreement. If no timely objection is made, the settlement agreement becomes a final order of the commissioner.*

Sec. 12. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

*Subd. 6. [COMPLAINT AND ANSWER.] The commissioner shall serve a complaint on all parties no later than 90 calendar days after receiving a notice of contest. The contesting party shall serve an answer on all the parties within 20 calendar days after service of the complaint.*

Sec. 13. Minnesota Statutes 1990, section 182.664, subdivision 3, is amended to read:

~~Subd. 3. The review board or its appointed administrative law judges may hold hearings at places of convenience to the parties concerned shall review and decide appeals from final decisions and orders of the commissioner, including decisions issued by administrative law judges, or petitions to vacate final orders of the commissioner, and with the agreement of the parties may review and decide petitions for decisions based on stipulated facts. The powers of the board in the conduct of hearings, including the power to administer oaths and subpoena persons sign decisions and orders, may be exercised on its behalf by delegated to a member, members, or an~~

~~administrative law judge appointed by the board chair. The board may administer oaths and subpoena persons, including parties, as witnesses and may compel them to produce documentary evidence for hearings schedule a hearing for purposes of taking oral argument. A notice stating the time and place of the hearing must be given ten days in advance of such a hearing to the parties and copies of the notice of such hearing shall be posted served by the employer at such places as rules of the board shall require. The hearings shall be open to the public and the records of hearings board's decisions and orders shall be maintained and available for examination. The hearing shall be conducted in compliance with rules contained in chapter 14. The rules of the board shall provide affected employers, employees or their representatives an opportunity to participate as parties provided they file notice at least five days before the start of the hearing.~~

Sec. 14. Minnesota Statutes 1990, section 182.664, subdivision 5, is amended to read:

Subd. 5. For the purpose of carrying out its functions under this chapter, two members of the board shall constitute a quorum and official action can be taken only on the affirmative vote of at least two members. ~~The findings decisions and decision orders of an administrative law judge, or final orders of the commissioner, may be appealed to the review board by the employer, employee, or their authorized representatives, or any party, within 30 days following publication service by mail of the administrative law judge's findings decision and decision order, or final order of the commissioner. The review board shall have authority to revise, confirm, or reverse the findings decision and decision order of administrative law judges, or to vacate and remand final orders of the commissioner. The board shall only vacate a final order of the commissioner upon a showing of good cause. For purposes of this section, good cause is limited to fraud, mistake of fact or law, or newly discovered evidence.~~

Sec. 15. Minnesota Statutes 1990, section 182.666, subdivision 1, is amended to read:

Subdivision 1. Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order ~~promulgated adopted~~ under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$20,000~~ \$70,000 for each violation. *The minimum fine for a willful violation is \$5,000.*

Sec. 16. Minnesota Statutes 1990, section 182.666, subdivision 2, is amended to read:

Subd. 2. Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order ~~promulgated adopted~~ under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$2,000~~ \$7,000 for each ~~such~~ violation. If ~~such~~ the violation causes or contributes to the cause of the death of an employee, the employer shall be assessed a fine of up to \$10,000.

Sec. 17. Minnesota Statutes 1990, section 182.666, subdivision 3, is amended to read:

Subd. 3. Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where ~~such~~ the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$2,000~~ \$7,000

for each ~~such~~ violation.

Sec. 18. Minnesota Statutes 1990, section 182.666, subdivision 4, is amended to read:

Subd. 4. Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the ~~board~~ *commissioner* in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$2,000~~ *\$7,000* for each day during which ~~such~~ *the* failure or violation continues.

Sec. 19. Minnesota Statutes 1990, section 182.666, subdivision 5, is amended to read:

Subd. 5. Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to ~~\$2,000~~ *\$7,000* for each violation.

Sec. 20. Minnesota Statutes 1990, section 182.666, subdivision 5a, is amended to read:

Subd. 5a. Any employer who knowingly violates section 182.6575 shall be assessed a fine of up to ~~\$2,000~~ *\$7,000* for each violation. The employer shall also be liable to each aggrieved employee for civil punitive damages of \$400.

Sec. 21. Minnesota Statutes 1990, section 182.666, subdivision 7, is amended to read:

Subd. 7. Fines imposed under this chapter shall be paid to the commissioner for deposit ~~in the general fund as provided in subdivision 8~~ and may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Unpaid fines shall be increased to 125 percent of the original assessed amount if not paid within 60 days after the fine becomes a final order. After that 60 days, unpaid fines shall accrue an additional penalty of ten percent per month compounded monthly until the fine is paid in full.

Sec. 22. Minnesota Statutes 1990, section 182.666, is amended by adding a subdivision to read:

*Subd. 8. [DEPOSIT OF FINES; OSHA FUND.] (a) Fines paid to the commissioner under this section shall be deposited two-thirds in the general fund and one-third in the state treasury. The fines deposited in the state treasury shall be credited to a dedicated fund to provide for:*

- (1) workplace safety training;*
- (2) increased enforcement of this chapter; and*
- (3) the additional litigation costs associated with increased enforcement.*

*(b) All money in the dedicated fund is appropriated to the commissioner. The commissioner must disburse the money in equal amounts for each of the purposes set out in paragraph (a) and not for any other obligation of the state. All money in the dedicated fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other dedicated funds in the*

*state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.*

*(c) Except for fines under this section, all other fines imposed under this chapter must be paid to the commissioner for deposit in the general fund.*

Sec. 23. Minnesota Statutes 1990, section 182.669, subdivision 1, is amended to read:

Subdivision 1. Any employee believed to have been discharged or otherwise discriminated against by any person because such employee has exercised any right authorized under the provisions of sections 182.65 to 182.674, may, within 30 days after such alleged discrimination occurs, file a complaint with the commissioner alleging the discriminatory act. Upon receipt of such complaint, the commissioner shall cause such investigation to be made as the commissioner deems appropriate. If upon such investigation the commissioner determines that a discriminatory act was committed against an employee, the commissioner shall refer the matter to the office of administrative hearings for a hearing before an administrative law judge pursuant to the provisions of chapter 14. *For purposes of this section, the commissioner shall file with the administrative law judge and serve upon the respondent, by registered or certified mail, a complaint and written notice of hearing. The respondent shall file with the administrative law judge and serve upon the commissioner, by registered or certified mail, an answer within 20 days after service of the complaint.* In all cases where the administrative law judge finds that an employee has been discharged or otherwise discriminated against by any person because the employee has exercised any right authorized under sections 182.65 to 182.674, the administrative law judge may order payment to the employee of back pay and compensatory damages. The administrative law judge may also order rehiring of the employee; reinstatement of the employee's former position, fringe benefits, and seniority rights; and other appropriate relief. In addition, the administrative law judge may order payment to the commissioner or to the employee of costs, disbursements, witness fees, and attorney fees. Interest shall accrue on, and be added to, the unpaid balance of an administrative law judge's order from the date the order is signed by the administrative law judge until it is paid, at the annual rate provided in section 549.09, subdivision 1, paragraph (c). *The decision of the administrative law judge shall be the final agency decision.* An employee may bring a private action in the district court for relief under this section.

Sec. 24. [ATTORNEY GENERAL FEES.]

*The department of labor and industry is not obligated to pay for services rendered between January 7, 1987, and January 7, 1991, by the attorney general for legal representation in excess of the amounts already paid for those services.*

Sec. 25. [COMPLEMENT ADJUSTMENT.]

*The complement for the department of labor and industry shall be increased by five, to be funded from the dedicated fund created by Minnesota Statutes, section 182.666, subdivision 8.*

Sec. 26. [REPEALER.]

*Minnesota Statutes 1990, section 182.664, subdivision 2, is repealed."*

Delete the title and insert:



"A bill for an act relating to occupational safety and health; providing definitions; modifying duties; adjusting the complement and certain financial obligations of the department of labor and industry; creating a dedicated fund; clarifying administrative responsibilities; increasing penalties; amending Minnesota Statutes 1990, sections 182.651, by adding subdivisions; 182.653, subdivision 9; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, 5a, 7, and by adding a subdivision; 182.669, subdivision 1; repealing Minnesota Statutes 1990, section 182.664, subdivision 2."

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

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

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.

Reports the 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 116.78, is amended by adding a subdivision to read:

*Subd. 11. [DISPOSAL OF INFECTIOUS WASTE IN LANDFILLS.] (a) Infectious waste may be disposed of in a landfill if:*

*(1) the infectious waste is placed in a separate area of the landfill and remains segregated from other waste; and*

*(2) appropriate precautions are taken to prevent exposure of landfill workers to the infectious waste.*

*(b) The operator of a landfill may charge fees for disposal of infectious waste that are higher than fees for other types of waste accepted for disposal at the landfill.*

Sec. 2. [116.801] [INCINERATION OF INFECTIOUS WASTE; PERMIT REQUIRED.]

*(a) Except as provided in paragraph (b), a person may not construct, or expand the capacity of, a facility for the incineration of infectious waste, as defined in section 116.76, without having obtained an air emission permit from the agency.*

*(b) This section does not affect permit requirements under the rules of the agency for incinerators that are planned to manage waste generated primarily by the owner or operator of the incinerator.*

Sec. 3. [INCINERATION OF INFECTIOUS WASTE; ENVIRONMENTAL IMPACT.]

*Until the United States Environmental Protection Agency or the pollution control agency adopts revisions to its air emission rules for incinerators, a new or expanded facility for the incineration of infectious waste that has a*

*capacity of 350 pounds or more per hour that is subject to the permit requirement in section 2 may not receive a permit until an environmental assessment worksheet for the facility has been prepared and approved. The pollution control agency is the governmental unit responsible for preparation of an environmental assessment worksheet required under this section.*

**Sec. 4. [EFFECTIVE DATE.]**

*Section 2 is effective March 1, 1991, and applies to construction begun on or after that date. Sections 1 and 3 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to waste management; allowing the disposal of infectious waste in landfills under certain conditions; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; amending Minnesota Statutes 1990, section 116.78, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116."

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 227, 945, 282, 364, 363, 256, 1112, 295, 1422, 1451, 1440, 1227, 1127, 709, 895 and 490 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 398, 85, 875, 683 and 21 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Lessard moved that the name of Mr. Marty be added as a co-author to S.F. No. 442. The motion prevailed.

Mr. Kroening moved that the name of Ms. Pappas be added as a co-author to S.F. No. 689. The motion prevailed.

Mr. Price moved that the name of Mr. Morse be added as a co-author to S.F. No. 1027. The motion prevailed.

Mr. Chmielewski introduced—

Senate Resolution No. 65: A Senate resolution honoring Medora Belle Petersen on her 95th birthday.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

**CONSENT CALENDAR**

H.F. No. 471: A resolution memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

Mr. Luther moved that the amendment made to H.F. No. 471 by the Committee on Rules and Administration in the report adopted April 18, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 471 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 953 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1332 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1332: A resolution memorializing Congress to carefully consider the proposed free trade agreement with Mexico.

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 46 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Novak	Solon
Beckman	DeCramer	Kelly	Pappas	Spear
Belanger	Finn	Laidig	Piper	Storm
Bernhagen	Flynn	Larson	Pogemiller	Traub
Bertram	Frank	Lessard	Price	Vickerman
Brataas	Frederickson, D.J.	Luther	Ranum	Waldorf
Chmielewski	Frederickson, D.R.	Marty	Renneke	
Cohen	Hottinger	Metzen	Riveness	
Dahl	Johnson, D.E.	Mondale	Sams	
Davis	Johnson, D.J.	Morse	Samuelson	

Those who voted in the negative were:

Benson, D.D.	Halberg	Knaak	Mehrkens	Olson
Benson, J.E.	Johnston	McGowan	Neuville	Pariseau

So the resolution passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 988 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

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

Ms. Flynn and Mr. Spear voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 919 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kelly moved that S.F. No. 1020 be taken from the table and placed at the top of General Orders. The motion prevailed.

Mr. Kelly moved that H.F. No. 1151 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 1020, now on General Orders. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1455 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Ms. Olson moved to amend H.F. No. 1455, as amended pursuant to Rule 49, adopted by the Senate April 22, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1330.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1990, section 383B.68, subdivision 1, is amended to read:

Subdivision 1. ~~Effective January 1, 1983, and~~ Notwithstanding any provision of sections 398.02 to 398.04, or any other law to the contrary, the board of park district commissioners of the Hennepin county park reserve district shall consist of seven commissioners ~~appointed or~~ elected as provided in this section.

Sec. 2. Minnesota Statutes 1990, section 383B.68, subdivision 3, is amended to read:

Subd. 3. ~~Five~~ *Seven* park district commissioners shall be elected as provided in this subdivision to represent those portions of Hennepin county outside of the city of Minneapolis. One park district commissioner shall be elected without party designation from each of the districts established pursuant to subdivision 4. Elections under this subdivision shall be held at the same time and in the same manner as elections for the office of county commissioner ~~beginning at the 1986 general election~~. Each park district commissioner elected pursuant to this subdivision shall be a resident of the district represented and shall serve for a term of four years and until a successor is elected and qualifies, except that the term of office of each park district commissioner elected at the general election held in the year of a federal census shall be only two years and until a successor is elected and qualifies. At the general election following redistricting as required in subdivision 4, the ~~three~~ *four* commissioners from odd-numbered districts shall be elected for four-year terms and the ~~two~~ *three* commissioners from even-numbered districts shall be elected for two-year terms. If a vacancy occurs in the office of any commissioner elected pursuant to this subdivision, the board of park district commissioners shall appoint a successor residing in that district to fill the unexpired term.

Sec. 3. Minnesota Statutes 1990, section 383B.68, subdivision 4, is amended to read:

Subd. 4. ~~After September 1, 1985, and after at least 30 days' notice and public hearing,~~ The board of park district commissioners of the Hennepin county park reserve district shall divide the territory of Hennepin county outside the city of Minneapolis into ~~five~~ *seven* districts, which constitute the Hennepin county park reserve district. Each district shall be composed of contiguous territory as regular and compact in form as practicable and as nearly equal in population as possible, provided that no district shall vary in population more than ten percent from the average of all the districts, unless compliance with this requirement requires division of a voting precinct. After each federal census and by not later than 120 days before the next ensuing general election, after at least 30 days notice and public hearing,

the board of park district commissioners of the Hennepin county park reserve district shall redistrict the territory of the Hennepin county park reserve district into new commissioner districts as necessary to comply with the provisions of this subdivision. The districts established pursuant to this subdivision shall remain effective until new districts are established. Any person aggrieved by a districting plan established pursuant to this subdivision may challenge the plan in the same manner as a county commissioner districting plan may be challenged pursuant to section 375.025. The district court in reviewing any challenge to a districting plan under this subdivision shall proceed in the manner prescribed by section 375.025. Each districting plan established pursuant to this subdivision shall be filed in the office of the director of finance of Hennepin county or any successor office and shall be effective 31 days after its publication in a newspaper of general circulation in the county. *The first board of seven elected commissioners shall be elected in 1992.*

Sec. 4. [REPEALER.]

*Minnesota Statutes 1990, sections 383B.68, subdivision 2; and 383B.69, are repealed.*

Sec. 5. [LOCAL APPROVAL.]

*Sections 1 to 4 take effect the day after the Hennepin county park reserve district board complies with Minnesota Statutes, section 645.021, subdivision 3."*

Renumber the sections in sequence and correct the internal references  
Amend the title accordingly

Mr. Kroening questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 1455 was read the third time 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	Davis	Johnson, D.J.	McGowan	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
Berglin	Flynn	Kroening	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Novak	Solon
Bertram	Frederickson, D.R.	Langseth	Pappas	Spear
Brataas	Gustafson	Larson	Pariseau	Storm
Chmielewski	Halberg	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Marty	Price	Waldorf

Mr. Frank voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 824 a Special Order to be heard immediately.

**SPECIAL ORDER**

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 123.3514, subdivision 4; and 124.17, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, 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
Berglin	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	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

Messrs. Price and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 417 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 417: 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.

Mr. Dicklich moved to amend S.F. No. 417 as follows:

Pages 1 and 2, delete section 1 and insert:

“Section 1. Minnesota Statutes 1990, section 120.062, subdivision 4, is amended to read:



Subd. 4. [PUPIL APPLICATION PROCEDURES.] In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district. Before submitting an application, the pupil and the pupil's parent or guardian must explore with a school guidance counselor, or other appropriate staff member employed by the district the pupil is currently attending, the pupil's academic or other reason for applying to enroll in a nonresident district. The pupil's application must identify the reason for enrolling in the nonresident district. The parent or guardian of a pupil must submit an application by January 4 15 for initial enrollment beginning the following school year. The application shall be on a form provided by the department of education. A particular school or program may be requested by the parent. Once enrolled in a nonresident district, the pupil may remain enrolled and is not required to submit annual or periodic applications. To return to the resident district or to transfer to a different nonresident district, the parent or guardian of the pupil must provide notice to the resident district or apply to a different nonresident district by January 4 15 for enrollment beginning the following school year.

Sec. 2. Minnesota Statutes 1990, section 120.062, subdivision 6, is amended to read:

Subd. 6. [NONRESIDENT DISTRICT PROCEDURES.] A district that does not exclude nonresident pupils, according to subdivision 3, shall notify the parent or guardian in writing by February 4 15 whether the application has been accepted or rejected. If an application is rejected, the district must state in the notification the reason for rejection. The parent or guardian shall notify the nonresident district by ~~February 15~~ *March 1* whether the pupil intends to enroll in the nonresident district. Notice of intent to enroll in the nonresident district obligates the pupil to attend the nonresident district during the following school year, unless the school boards of the resident and the nonresident districts agree in writing to allow the pupil to transfer back to the resident district, or the pupil's parents or guardians change residence to another district. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district during the following school year, unless the school boards of the resident and nonresident district agree otherwise. The nonresident district shall notify the resident district by March 4 15 of the pupil's intent to enroll in the nonresident district. The same procedures apply to a pupil who applies to transfer from one participating nonresident district to another participating nonresident district."

Page 3, after line 24, insert:

"Sec. 6. 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 *order setting the effective date of the consolidation according to subdivision 13*, 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 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 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 members shall hold office until the expiration of two years from said July 1. 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.~~

(d) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the application is made. The application shall be filed not less than 12 days before the election.

(d) 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.

(e) 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.

(f) 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.

(g) 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."

Page 4, after line 13, insert:

"Sec. 9. Minnesota Statutes 1990, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in sections 124A.23 and 124B.20;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.2713;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
- (k) education district aid according to section 124.2721;
- (l) secondary vocational cooperative aid according to section 124.575;
- (m) *assurance of mastery aid according to section 124.311;*
- (n) *individual learning and development aid according to section 124.331;*
- (o) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- ~~(n)~~ (p) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- ~~(o)~~ (q) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; and

(p) (r) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 10. Minnesota Statutes 1990, section 124.195, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) the sum of

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus

the other district receipts; plus

the final adjustment payment according to subdivision 6.

*(c) The term "payment date" means the date on which state payments to school districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, the payment shall be made on the immediately preceding business day. If a payment date falls on a Sunday, the payment shall be made on the immediately following business day. If a payment date falls on a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner of education may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.*

Sec. 11. Minnesota Statutes 1990, section 124.195, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

Payment date

Percentage

Payment 1	<del>First business day prior to July 15:</del>	2.25
Payment 2	<del>First business day prior to July 30:</del>	4.50
Payment 3	<del>First business day prior to August 15:</del>	6.75
Payment 4	<del>First business day prior to August 30:</del>	9.0
Payment 5	<del>First business day prior to September 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent</del>	
Payment 6	<del>First business day prior to September 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent</del>	
Payment 7	<del>First business day prior to October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent</del>	
Payment 8	<del>First business day prior to October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent</del>	
Payment 9	<del>First business day prior to November 15:</del>	31.0
Payment 10	<del>First business day prior to November 30:</del>	37.0
Payment 11	<del>First business day prior to December 15:</del>	40.0
Payment 12	<del>First business day prior to December 30:</del>	43.0
Payment 13	<del>First business day prior to January 15:</del>	47.25
Payment 14	<del>First business day prior to January 30:</del>	51.5
Payment 15	<del>First business day prior to February 15:</del>	56.0
Payment 16	<del>First business day prior to February 28:</del>	60.5
Payment 17	<del>First business day prior to March 15:</del>	65.25
Payment 18	<del>First business day prior to March 30:</del>	70.0
Payment 19	<del>First business day prior to April 15:</del>	73.0
Payment 20	<del>First business day prior to April 30:</del>	79.0
Payment 21	<del>First business day prior to May 15:</del>	82.0
Payment 22	<del>First business day prior to May 30:</del>	90.0
Payment 23	<del>First business day prior to June 20:</del>	100.0"

Page 6, line 14, strike everything after the period

Page 6, strike line 15

Page 6, line 16, strike "received."

Page 9, delete section 14

Page 17, line 13, reinstate the stricken language

Page 17, line 14, reinstate the stricken "unrequested leave of absence"

and reinstate the stricken “and who”

Page 17, lines 15 to 19, reinstate the stricken language

Page 17, line 20, reinstate the stricken “(j)”

Page 17, line 23, reinstate the stricken “(k)” and delete “(j)”

Page 27, line 20, after “sections” insert “121.933, subdivision 2; 122.23, subdivision 17;” and delete “124.473;”

Page 27, after line 30, insert:

“Sec. 40. [EFFECTIVE DATE.]

*Sections 9, 10, 35, and 37 are effective the day following final enactment.”*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, delete “subdivision 8a” and insert “subdivisions 4 and 6”

Page 1, line 7, after the first semicolon, insert “122.23, subdivision 18;”

Page 1, line 8, after the first semicolon, insert “124.155, subdivision 2;” and after “subdivisions” insert “2, 3,”

Page 1, line 10, delete “124.2725, subdivision 8;”

Page 1, line 20, after “119.09;” insert “121.933, subdivision 2; 122.23, subdivision 17;”

Page 1, line 21, delete “124.473;”

The motion prevailed. So the amendment was adopted.

S.F. No. 417 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 871 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 958 a Special Order to be heard immediately.

**SPECIAL ORDER**

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.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 887 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 887: A bill for an act relating to economic development; creating a commission on economic development policy.

Mr. Beckman moved to amend S.F. No. 887 as follows:

Page 2, line 31, delete "*effect*" and insert "*affect*"

The motion prevailed. So the amendment was adopted.

S.F. No. 887 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Morse	Spear
Beckman	Flynn	Laidig	Novak	Stumpf
Berglin	Frank	Langseth	Pappas	Traub
Bertram	Frederickson, D.J.	Lessard	Piper	Vickerman
Chmielewski	Frederickson, D.R.	Luther	Price	Waldorf
Dahl	Gustafson	Marty	Ranum	
Davis	Hottinger	Metzen	Riveness	
Day	Johnson, J.B.	Moe, R.D.	Sams	
DeCramer	Kelly	Mondaie	Solon	

Those who voted in the negative were:

Belanger	Halberg	Knaak	Mehrkens	Pariseau
Benson, D.D.	Johnson, D.E.	Larson	Merriam	Renneke
Benson, J.E.	Johnston	McGowan	Neuville	Storm
Berg				

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1071 a Special Order to be heard immediately.

**SPECIAL ORDER**

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, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 136E.

Mr. Moe, R.D. moved to amend S.F. No. 1071 as follows:

Page 2, line 8, after the period, insert "*The governor shall submit an appointment to the legislature by February 1 of the year in which the appointment is effective.*"

Page 3, line 16, delete "*March 15*" and insert "*January 2*"

Page 6, line 14, after "*have*" insert "*been confirmed by the senate to the board from which they are appointed and*"

Page 6, line 15, after the period, insert "*Initial higher education board members appointed by boards are not subject to further senate confirmation.*"

Page 6, line 16, after the period, insert "*Notwithstanding section 2,*



*subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years."*

Page 8, line 26, before "COLLECTIVE" insert "TECHNICAL COLLEGE"

Page 8, delete lines 35 and 36 and insert:

**"Sec. 12. [EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS.]**

*The terms and conditions of a collective bargaining agreement covering an employee transferred to the higher education board remains in effect until a successor agreement becomes effective. This section applies to all employees transferred to the board.*

**Sec. 13. [TRANSITIONAL PERIOD COLLECTIVE BARGAINING.]**

*Contracts for the period commencing July 1, 1993, for employees transferred to the higher education board shall be negotiated with the higher education board. Negotiations for those contracts can begin anytime after July 1, 1992, and may be initiated by either party notifying the other of the desire to begin the negotiating process."*

Page 9, delete lines 1 and 2

Page 9, after line 8, insert:

**"Sec. 15. [REVENUE FUND; OUTSTANDING REVENUE BONDS.]**

*Nothing in this act shall in any way alter or amend Minnesota Statutes, sections 136.35 to 136.41, or any contract entered into by the board pursuant to those sections, or the pledge and appropriation of revenues from the revenue fund and any covenants made for the security of revenue bonds authorized to be issued by the state university board."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1071 as follows:

Page 7, after line 16, insert:

*"The board shall, in cooperation with the commissioner of administration, submit a proposal to the 1992 legislature concerning reimbursement to school districts for technical college property transferred to the board pursuant to section 9."*

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend S.F. No. 1071 as follows:

Page 6, line 10, delete "three" and insert "two"

Page 6, line 12, delete "appointed by their respective boards" and delete "three" and insert "six public"

Page 6, line 13, after the first "members" insert ". All members shall be" and delete the second "by" and insert "from"

Page 6, line 15, delete everything before the period and after the period, insert "Each of the existing boards shall recommend at least three of their

*members for consideration for appointment by the governor."*

The motion did not prevail. So the amendment was not adopted.

Ms. Olson then moved to amend S.F. No. 1071 as follows:

Page 6, line 10, delete "three" and insert "two"

Page 6, line 12, delete "three" and insert "six"

The motion prevailed. So the amendment was adopted.

S.F. No. 1071 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	McGowan	Price
Beckman	Dicklich	Johnson, D.J.	Mehrkens	Ranum
Belanger	Finn	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Flynn	Johnston	Moe, R.D.	Riveness
Berglin	Frank	Kelly	Mondale	Stumpf
Bertram	Frederickson, D.J.	Kroening	Morse	Traub
Brataas	Frederickson, D.R.	Langseth	Neuville	Waldorf
Cohen	Gustafson	Lessard	Pappas	
Dahl	Halberg	Luther	Piper	
Day	Hottinger	Marty	Pogemiller	

Those who voted in the negative were:

Benson, J.E.	Chmielewski	Laidig	Olson	Sams
Berg	Davis	Larson	Pariseau	Spear
Bernhagen	Knaak	Metzen	Renneke	Vickerman

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1535 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1535: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1990, sections 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

Mr. Stumpf moved to amend S.F. No. 1535 as follows:

Page 1, after line 18, insert:

"ARTICLE 1"

Page 23, after line 9, insert:

## "ARTICLE 2

## Section 1. [CONSERVATION AREA STUDY.]

*\$25,000 is appropriated from the consolidated account created under Minnesota Statutes, section 84A.51, subdivision 1, after the distribution to counties under Minnesota Statutes, section 84A.51, subdivision 3, to the commissioner of natural resources for a contract with the natural resources research institute for the study described in this section. The natural resources research institute shall conduct a study of the conservation areas subject to Minnesota Statutes, chapter 84A, and address the following subjects:*

- (1) land use and ownership in counties with conservation areas;*
- (2) county and township services provided for utilization of conservation areas and the costs of those services;*
- (3) actual utilization of conservation areas for public hunting and game management and opportunities for improvement;*
- (4) forestry management of conservation areas and opportunities for improvement and joint county management;*
- (5) criteria for and efficiencies of private ownership of conservation areas;*
- (6) opportunities for increased revenue from conservation areas;*
- (7) water resource utilization and costs for conservation areas; and*
- (8) fiscal impacts on counties and townships resulting from conservation areas.*

*The natural resources research institute shall utilize existing studies and information provided by the state, counties, and other organizations. The agencies of the state and counties shall cooperate with the natural resource research institute and provide information requested to the extent possible. 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. A draft report shall be prepared and submitted to the commissioner of natural resources and counties with conservation areas by December 1, 1991, for comments within 30 days after receipt. A final report shall be submitted to the legislative commission on Minnesota resources, the commissioner of natural resources, the counties with conservation lands, and the legislature by January 15, 1992."*

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The questioned recurred on the adoption of the Stumpf amendment. The motion prevailed. So the amendment was adopted.

Mr. Sams moved to amend S.F. No. 1535 as follows:

Page 9, delete lines 1 to 3

The motion prevailed. So the amendment was adopted.

Mr. Day moved to amend S.F. No. 1535 as follows:

Page 14, after line 17, insert:

“Sec. 18. Minnesota Statutes 1990, section 136.60, is amended to read:

**136.60 [ESTABLISHMENT OF COMMUNITY COLLEGES, LOCATION.]**

Subdivision 1. Not to exceed ~~18~~ 19 community colleges are established under the management, jurisdiction, and control of the state board for community colleges.

Subd. 3. The community colleges shall be located at Coon Rapids, Austin, Brainerd, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar, ~~and~~ Worthington, and Waseca.

**Sec. 19. [WASECA CAMPUS TRANSFER TO COMMUNITY COLLEGE SYSTEM.]**

*Subdivision 1. [TRANSFER; DATE.] The Waseca campus of the University of Minnesota is transferred to the community college system effective July 1, 1992.*

*Subd. 2. [PLANNING COMMITTEE; MEMBERSHIP.] A planning committee of ten members is established. The chancellor of the community college system and the president of the University of Minnesota shall each appoint five members to the planning committee. The chancellor and the president may serve personally as one of the five members. One appointee of the chancellor and one appointee of the president must represent the agricultural community. One appointee of the president must be the president of the Waseca campus.*

*Subd. 3. [PLANNING COMMITTEE; DUTIES; REPORT.] The planning committee must study and make recommendations about the issues involved in the transfer of the Waseca campus, including, but not limited to:*

- (1) transfer of employees;*
- (2) transfer of property;*
- (3) program offerings;*
- (4) transfer of contract obligations; and*
- (5) transfer of legal actions.*

*Subd. 4. [REPORT; RECOMMENDATIONS; ASSISTANCE.] By January 15, 1992, the planning committee must report its recommendations to the education division of the finance committee and the education committee of the senate and the education division of the appropriations committee and the education committee of the house of representatives. The higher education coordinating board must provide the assistance that the planning committee requests.*

**Sec. 20. [EMPLOYEE RIGHTS.]**

*Existing contract rights of employees of the University of Minnesota at the Waseca campus continue and are binding on the community college board until new contracts are in effect. Employees' tenure or years of service, accumulations of sick leave, and accumulated years of service to determine eligibility for severance pay, early retirement, or other approved contract rights must be credited to each employee by the community college board.*

**Sec. 21. [APPROPRIATION.]**

(a) *An amount equal to the portion of the University of Minnesota's general fund appropriation dedicated to the Waseca campus in fiscal year 1992 is appropriated in fiscal year 1993 from the general fund to the community college board.*

(b) *The amount calculated in paragraph (a) must be deducted from the University of Minnesota's general fund appropriation in fiscal year 1993."*

Page 23, delete lines 8 and 9 and insert:

*"Sections 18, 21, and 23 are effective July 1, 1992. Sections 19, 20, and 28 to 33 are effective the day following final enactment."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Johnson, J.B. moved to amend the Day amendment to S.F. No. 1535 as follows:

Page 1, line 6, delete "19" and insert "20"

Page 1, line 13, delete "and" and after "Waseca" insert ", and Cambridge"

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Day amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Beckman	Brataas	Halberg	Lessard	Sams
Belanger	Davis	Hottinger	McGowan	Solon
Benson, D.D.	Day	Johnson, D.E.	Mehrkens	Storm
Benson, J.E.	Frank	Johnston	Neuville	Vickerman
Berg	Frederickson, D.J.	Knaak	Olson	
Bernhagen	Frederickson, D.R.	Laidig	Pariseau	
Bertram	Gustafson	Larson	Renneke	

Those who voted in the negative were:

Adkins	Finn	Luther	Novak	Riveness
Berglin	Flynn	Marty	Pappas	Samuelson
Chmielewski	Johnson, D.J.	Merriam	Piper	Spear
Cohen	Johnson, J.B.	Metzen	Pogemiller	Stumpf
Dahl	Kelly	Moe, R.D.	Price	Traub
DeCramer	Kroening	Mondale	Ranum	Waldorf
Dicklich	Langseth	Morse	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Moe, R.D. moved to amend S.F. No. 1535 as follows:

Page 1, after line 18, insert:

"ARTICLE 1"

Page 23, after line 9, insert:

"ARTICLE 2

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.

Sec. 2. [136E.01] [HIGHER EDUCATION BOARD.]

*Subdivision 1. [MEMBERSHIP.] The higher education board, referred to in sections 2 to 6 as "the board," consists of 13 members appointed by the governor with the advice and consent of the senate. The governor shall submit an appointment to the legislature by February 1 of the year in which the appointment is effective. 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. [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 term of the student member is two years. Terms end on June 30.*

*Subd. 3. [BOARD ADMINISTRATION.] The board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places.*

Sec. 3. [136E.02] [HIGHER EDUCATION BOARD CANDIDATE ADVISORY COUNCIL.]

*Subdivision 1. [PURPOSE.] A higher education board candidate advisory council shall 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.*

*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 January 2 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. 4. [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. 5. [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 and 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.*

*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. [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.*

*Subd. 5. [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. 6. [TRANSFERABILITY.] The board shall place a high priority on ensuring the transferability of credit among the institutions it governs.*

*Subd. 7. [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. 6. [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. 7. 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. 8. [TRANSITIONAL PROVISIONS.]

*Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two 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 six members appointed by the governor. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. The governor shall appoint the student member July 1, 1993. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.*

*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. The commissioner of employee relations shall cooperate with the chancellor to expedite hiring 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. The board shall give special attention to the need to integrate the administration of programs of study now offered at institutions from different systems. 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.*

*Subd. 6. [SCHOOL DISTRICTS.] The board shall, in cooperation with the commissioner of employee relations, submit proposals to the 1992 legislature concerning labor and other issues related to the transfer of technical colleges from school board governance.*

*The board shall, in cooperation with the commissioner of administration, submit a proposal to the 1992 legislature concerning reimbursement to school districts for technical college property transferred to the board pursuant to section 9.*

*Subd. 7. [LEGAL SERVICES.] The board shall submit to the 1992 legislature proposals for providing the board with adequate legal services.*

*Subd. 8. [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. 9. [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.*

*Subd. 10. [INITIAL ADVISORY COUNCIL APPOINTMENTS.] Notwithstanding section 3, 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.*

**Sec. 9. [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. 10. [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. 11. [TECHNICAL COLLEGE 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.*

**Sec. 12. [EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS.]**

*The terms and conditions of a collective bargaining agreement covering an employee transferred to the higher education board remains in effect until a successor agreement becomes effective. This section applies to all employees transferred to the board.*

Sec. 13. [TRANSITIONAL PERIOD COLLECTIVE BARGAINING.]

*Contracts for the period commencing July 1, 1993, for employees transferred to the higher education board shall be negotiated with the higher education board. Negotiations for those contracts can begin anytime after July 1, 1992, and may be initiated by either party notifying the other of the desire to begin the negotiating process.*

Sec. 14. [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. 15. [REVENUE FUND; OUTSTANDING REVENUE BONDS.]

*Nothing in this act shall in any way alter or amend Minnesota Statutes, sections 136.35 through 136.41, or any contract entered into by the board pursuant to those sections, or the pledge and appropriation of revenues from the revenue fund and any covenants made for the security of revenue bonds authorized to be issued by the state university board.*

Sec. 16. [EFFECTIVE DATE.]

*This act is effective the day following final enactment, except that section 7 is effective July 1, 1991, for collective bargaining of contracts that become effective on or after July 1, 1993, and sections 5 and 6 are effective July 1, 1993."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1535 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 15 and nays 51, as follows:

Those who voted in the affirmative were:

Berglin	Halberg	Kroening	Moe, R.D.	Stumpf
Brataas	Johnson, D.J.	Luther	Piper	Traub
Dicklich	Johnson, J.B.	Merriam	Solon	Waldorf

Those who voted in the negative were:

Adkins	Davis	Johnston	Mondale	Renneke
Beckman	Day	Kelly	Morse	Riveness
Belanger	DeCramer	Knaak	Neuville	Sams
Benson, D.D.	Finn	Laidig	Novak	Samuelson
Benson, J.E.	Flynn	Langseth	Olson	Spear
Berg	Frank	Larson	Pappas	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Vickerman
Bertram	Frederickson, D.R.	Marty	Pogemiller	
Chmielewski	Gustafson	McGowan	Price	
Cohen	Hottinger	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

So the bill, as amended, failed to pass.

### RECONSIDERATION

Mr. Riveness moved that the vote whereby S.F. No. 1535 failed to pass the Senate on April 30, 1991, be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1535 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of House Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

Mr. Chmielewski from the Committee on Employment, to which was referred

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.

Reports the 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 268.977, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHMENT.] (a) The commissioner shall establish a rapid response program to assist employees, employers, business organizations or associations, labor organizations, local government units, and community organizations to quickly and effectively respond to announced or actual plant closings ~~and~~, substantial layoffs, *dislocated workers, and additional dislocated workers*.

(b) The program must include or address at least the following:

(1) within five working days after becoming aware of an announced or actual plant closing or substantial layoff, establish on-site contact with the employer, employees, labor organizations if there is one representing the employees, and leaders of the local government units and community organizations to provide coordination of efforts to formulate a communitywide response to the plant closing or substantial layoff, provide information on the public and private service and programs that might be available, inform the affected parties of the prefeasibility study grants under section 268.978, and collect any information required by the commissioner to assist in responding to the plant closing or substantial layoff;

(2) provide ongoing technical assistance to employers, employees, business organizations or associations, labor organizations, local government

units, and community organizations to assist them in reacting to or developing responses to plant closings or substantial layoffs;

(3) establish and administer the prefeasibility study grant program under section 268.978 to provide an initial assessment of the feasibility of alternatives to plant closings or substantial layoffs;

(4) work with employment and training service providers, employers, business organizations or associations, labor organizations, local government units, dislocated workers, and community organizations in providing training, education, community support service, job search programs, job clubs, and other services to address the needs of potential or actual dislocated workers;

(5) coordinate with providers of economic development related financial and technical assistance services so that communities that are experiencing plant closings or substantial layoffs have immediate access to economic development related services; ~~and~~

(6) collect and make available information on programs that might assist dislocated workers and the communities affected by plant closings or substantial layoffs; *and*

*(7) when they can be provided without adversely affecting delivery of services to dislocated workers, the services under clause (4) shall be available to additional dislocated workers.*

Subd. 2. [APPLICABILITY.] Notwithstanding section 268.975, subdivisions 6 and 8, the commissioner may waive the threshold requirements for finding a plant closing or substantial layoff in special cases where the governor's job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a plant closing or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance. *An individual is eligible for the training and other services described in subdivision 1, clause (4), if the only reason the individual is not a "dislocated worker" under section 268.975, subdivision 3, is because the threshold employment loss requirements of section 268.975, subdivisions 6 and 8, have not been met.*

Subd. 3. [RULES.] *The commissioner must adopt rules necessary for the commissioner to evaluate the effectiveness of programs established and grants authorized under sections 268.975 to 268.98. The rules must include reporting requirements for those programs and grants. The commissioner shall report to the legislature annually, by February 1, on the effectiveness of those programs.*

## Sec. 2. [LEGISLATIVE AUDITOR STUDY.]

*The legislative auditor shall evaluate the effectiveness of the dislocated worker program under Minnesota Statutes, sections 268.975 to 268.98, in meeting its objectives and submit the evaluation to the legislature by January 1, 1992.*

## Sec. 3. [REPEALER.]

*Laws 1990, chapter 568, article 6, section 4, is repealed.*

## Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to employment; regulating the dislocated worker program; requiring a report by the legislative auditor; amending Minnesota Statutes 1990, section 268.977; repealing Laws 1990, chapter 568, article 6, section 4."

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. 459 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.
459	464				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 459 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 459 and insert the language after the enacting clause of S.F. No. 464, the first engrossment; further, delete the title of H.F. No. 459 and insert the title of S.F. No. 464, the first engrossment.

And when so amended H.F. No. 459 will be identical to S.F. No. 464, and further recommends that H.F. No. 459 be given its second reading and substituted for S.F. No. 464, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

## SECOND READING OF HOUSE BILLS

H.F. No. 459 was read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 937 be withdrawn from the Committee on Rules and Administration 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.

Mr. Laidig introduced—

S.F. No. 1542: A bill for an act relating to the city of Stillwater; authorizing the city to conduct a reassessment with respect to special assessments, ad

valorem taxes, interest, and penalties on certain property; authorizing the city to issue obligations to finance payment of delinquent ad valorem taxes, interest, and penalties on certain property; authorizing the city to enter into an agreement with the owner of the property to be specially assessed.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon and Gustafson introduced—

S.F. No. 1543: A bill for an act relating to taxation; income and franchise; providing that certain sales are made without the state; amending Minnesota Statutes 1990, section 290.191, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

### **MEMBERS EXCUSED**

Mr. Hughes was excused from the Session of today. Ms. Berglin was excused from the Session of today from 8:30 to 10:45 a.m. Messrs. Gustafson and Kroening were excused from the Session of today from 8:30 to 9:30 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 9:20 a.m. Mr. Cohen was excused from the Session of today from 10:15 to 11:30 a.m. Mrs. Benson, J.E. was excused from the Session of today from 10:00 to 10:10 a.m. Messrs. Bernhagen; Dicklich; Johnson, D.J.; Pogemiller and Ms. Olson were excused from the Session of today from 10:15 to 10:45 a.m. Mr. Bertram was excused from the Session of today from 12:45 to 1:15 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m., Wednesday, May 1, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, May 1, 1991

The Senate met at 9:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Fred Schwerdt.

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.	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	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.

### 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. 317, 571, 813, 1054, 1208, 478 and 922.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 30, 1991

### FIRST READING OF HOUSE BILLS

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



H.F. No. 317: 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; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 227, now on General Orders.

H.F. No. 571: 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 11A.24, subdivision 1; 356.71; 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 Finance.

H.F. No. 813: A bill for an act relating to retirement; Minneapolis police relief association; adding a surviving spouse board member; changing board membership; providing for a phase-out of the board; amending Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended; section 6, subdivision 3, as amended; Laws 1953, chapter 127, section 1, by adding a subdivision; Laws 1965, chapter 493, section 3, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 775, now on General Orders.

H.F. No. 1054: 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 Rules and Administration for comparison with S.F. No. 813, now on General Orders.

H.F. No. 1208: 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 Rules and Administration for comparison with S.F. No. 970, now on General Orders.

H.F. No. 478: A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; 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; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year

of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 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; 204B.45, 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.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 508, now on General Orders.

H.F. No. 922: 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; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 772, 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. Novak from the Committee on Energy and Public Utilities, to which was referred

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.

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

Page 2, line 27, before the period, insert "*if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill*"

Page 2, line 31, delete everything after "*completed*" and insert a period

Page 2, delete lines 32 and 33

Page 2, line 35, delete "*must be treated as current operating*"

Page 2, delete line 36

Page 3, delete line 1 and insert "*are considered conservation improvement program expenses under section 216B.241. The commission shall allow a*

*utility to recover energy audit expenses under this section."*

Pages 4 to 8, delete section 6

Page 9, line 1, after "tenant" insert "*, if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill*"

Page 9, line 2, delete everything after "(1)"

Page 9, delete lines 3 and 4

Page 9, line 5, delete "(2)"

Page 9, line 7, delete "(3)" and insert "(2)"

Page 9, line 9, delete "7" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "providing a"

Page 1, delete line 7

Page 1, line 8, delete "property;"

Page 1, line 12, delete everything before "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. Waldorf from the Committee on Governmental Operations, to which was re-referred

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.

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

Page 2, after line 3, insert:

*"(c) The appointing authorities shall seek to achieve gender balance in the membership of the board.*

Sec. 2. [128C.06] [HOCKEY TOURNAMENT.]

*Notwithstanding section 128C.05, beginning in 1992, the state high school league shall either (1) conduct a single state high school hockey tournament, or (2) conduct a state high school hockey tournament according to a format approved by a majority of the head hockey coaches in the state's hockey playing high schools."*

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

Page 2, line 5, delete "Section 1 is" and insert "Sections 1 and 2 are" and delete "its"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing requirements for the state high school hockey tournament;"

Page 1, line 5, before the period, insert "; proposing coding for new law

in Minnesota Statutes, chapter 128C”

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. 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.

Reports the 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 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 ~~and zebra mussel~~ according to law.

Sec. 2. Minnesota Statutes 1990, section 86B.415, subdivision 9, is amended to read:

Subd. 9. [DISPOSITION OF RECEIPTS.] Money received for watercraft licenses shall be deposited in the state treasury and credited to the water recreation account, *except that the surcharge under section 86B.415, subdivision 7, must be placed in a dedicated account and used for programs on control, law enforcement, inventory, education, management, and research on Eurasian water milfoil and zebra mussel.*

Sec. 3. Minnesota Statutes 1990, section 103G.617, subdivision 3, is amended to read:

Subd. 3. [EDUCATION.] The commissioner shall publish and distribute informational materials to lakeshore owners and boaters on ~~the control problems~~ *education, public awareness, and citizen action to understand and prevent spreading of Eurasian water milfoil, the zebra mussel, and other exotic species. In the summary of the fishing laws given to a person obtaining a fishing license, the commissioner must prominently mention the problems of Eurasian water milfoil, the zebra mussel, and other exotic species, how to curb their spread, and the penalty for illegal transportation.*

Sec. 4. [ROAD CHECKS FOR BOATS.]

*The commissioner of natural resources shall establish a two-year program of at least five checks per year of trailered boats.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective the day following final enactment.”*

Amend the title as follows:

Page 1, line 2, delete “Eurasian water milfoil;”

Page 1, line 3, delete "changing" and insert "expanding the coverage and purposes of"

Page 1, line 5, delete "providing for a pilot"

Page 1, line 6, delete everything before "amending"

Page 1, line 8, after "9;" insert "and" and delete ", and by" 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

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.

Reports the 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.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.~~

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. [REPORT ON TAKING TWO DEER.]

*The commissioner of natural resources shall study the impact of allowing persons to take one deer by firearm and one deer by archery in a single season. The commissioner shall report to the chairs of the environment and natural resources committees of the legislature on the results of the study by February 1, 1992.*

Sec. 12. [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 13.*

Sec. 13. [REPORT.]

*The commissioner shall report to the legislature by March 1, 1993, on the results of the experimental mourning dove season authorized by section 12. The report must include a description of the impact of the experimental season on the mourning dove population in the designated area.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 12 and 13 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to game and fish; designating red fox as an unprotected wild animal; changing the eligibility requirements for moose licenses; allowing certain deer licenses to be issued during the open season; 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; requiring a report on the effects of allowing two deer to be taken in a season; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.431, subdivision 2; 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. Spear from the Committee on Judiciary, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [626.89] [PEACE OFFICER DISCIPLINE PROCEDURES ACT.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given them.*

*(a) "Administrative hearing" means a nonjudicial hearing or arbitration authorized to recommend, approve, or order discipline.*

*(b) "Formal statement" means the questioning of an officer in the course of obtaining a recorded, stenographic, or signed statement to be used as evidence in a disciplinary proceeding against the officer.*

*(c) "Officer" means a licensed peace officer or part-time peace officer, as defined in section 626.84, subdivision 1, paragraphs (c) and (f), who is employed by a unit of government.*

*Subd. 2. [APPLICABILITY.] The procedures and provisions of this section apply to law enforcement agencies and government units. The procedures and provisions of this section do not apply to:*

*(1) investigations and proceedings of the Minneapolis civilian police review authority; or*

*(2) investigations of criminal charges against an officer.*

*Subd. 3. [GOVERNING FORMAL STATEMENT PROCEDURES.] The formal statement of an officer must be taken in accordance with subdivisions 4 to 9.*

*Subd. 4. [PLACE OF FORMAL STATEMENT.] The formal statement must be taken at a facility of the employing or investigating agency or at*



*a place agreed to by the investigating individual and the investigated officer.*

*Subd. 5. [COMPLAINT.] An officer's formal statement may not be taken unless there is filed with the employing or investigating agency a written complaint signed by the complainant stating the complainant's knowledge, and the officer has been given a summary of the allegations. Before an administrative hearing is begun, the officer must be given a copy of the signed complaint.*

*Subd. 6. [SESSIONS.] Sessions at which a formal statement is taken must be of reasonable duration and must give the officer reasonable periods for rest and personal necessities. When practicable, sessions must be held during the officer's regularly scheduled work shift. If the session is not held during the officer's regularly scheduled work shift, the officer must be paid by the employing agency at the officer's current compensation rate for time spent attending the session.*

*Subd. 7. [RECORD.] A complete record of sessions at which a formal statement is taken must be made by electronic recording or otherwise. Upon written request of the officer whose statement is taken, a complete copy or transcript must be made available to the officer without charge or undue delay. The session may be tape recorded by the investigating officer and by the officer under investigation.*

*Subd. 8. [PRESENCE OF ATTORNEY OR UNION REPRESENTATIVE.] The officer whose formal statement is taken has the right to have an attorney or union representative of the officer's choosing present during the session. The officer may request the presence of an attorney or union representative at any time before or during the session. When a request under this subdivision is made, no formal statement may be taken until a reasonable opportunity is provided for the officer to obtain the presence of the attorney or union representative.*

*Subd. 9. [ADMISSIONS.] Before an officer's formal statement is taken, the officer shall be advised in writing or on the record that admissions made in the course of the formal statement may be used as evidence of misconduct or as a basis for discipline.*

*Subd. 10. [DISCLOSURE OF FINANCIAL RECORDS.] No employer may require an officer to produce or disclose the officer's personal financial records except pursuant to a valid search warrant or subpoena.*

*Subd. 11. [RELEASE OF PHOTOGRAPHS.] No law enforcement agency or governmental unit may publicly release photographs of an officer without the written permission of the officer, except that the agency or unit may display a photograph of an officer to a prospective witness as part of an agency or unit investigation, and the agency or unit may release a photograph to the civilian police review authority.*

*Subd. 12. [DISCIPLINARY LETTER.] No disciplinary letter or reprimand may be included in an officer's personnel record unless the officer has been given a copy of the letter or reprimand.*

*Subd. 13. [RETALIATORY ACTION PROHIBITED.] No officer may be discharged, disciplined, or threatened with discharge or discipline as retaliation for or solely by reason of the officer's exercise of the rights provided by this section.*

*Subd. 14. [RIGHTS NOT REDUCED.] The rights of officers provided by this section are in addition to and do not diminish the rights and privileges*

*of officers that are provided under an applicable collective bargaining agreement or any other applicable law.*

*Subd. 15. [ACTION FOR DAMAGES.] Notwithstanding section 3.736 or 466.03, a political subdivision or state agency that violates this section is liable to the officer for actual damages resulting from the violation, plus costs and reasonable attorney fees. The political subdivision or the state is deemed to have waived any immunity to a cause of action brought under this subdivision, except that the monetary limits on liability under section 3.736, subdivision 4, or 466.04 apply.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1991, and applies to formal statements or actions taken on or after that date."*

Amend the title as follows:

Page 1, line 3, delete everything after "when" and insert "a formal statement is taken for disciplinary purposes"

Page 1, line 4, delete everything before the semicolon

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. 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.

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

Page 1, lines 18 and 21, delete "supervised" and insert "supervision"

Page 1, lines 19 and 22, delete "release"

Page 3, line 17, before the period, insert "*and, after July 1, 1994, the commissioner shall award grants so that at least one-half of the money appropriated for the programs in each year is awarded to community corrections act counties*"

Page 3, line 20, delete "supervised release" and insert "supervision"

Page 3, line 23, delete "supervised" and insert "supervision"

Page 3, line 24, delete "release" and after the period, insert "*An intensive supervision agent must have qualifications comparable to those for a state corrections agent.*"

Page 3, after line 30, insert:

*"Subd. 4. [DEFINITION.] For purposes of section 244.05, subdivision 6, and sections 244.12 to 244.15, "intensive supervision agent" means a probation officer, a corrections agent, or any other qualified person employed in supervising offenders serving a period of intensive community supervision or intensive supervised release."*

Page 5, lines 1 and 36, delete "supervised release" and insert "supervision"

Page 6, lines 9 and 29, delete "*supervised release*" and insert "*supervision*"

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

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

S.F. No. 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.

Reports the 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 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.
- (d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters' relief association.
- (e) "~~Net tax capacity~~" "Market value" means latest available ~~net tax capacity~~ market value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.
- (f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto insurance coverages as reported in the Minnesota business schedule of the annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or rules less return premiums and dividends.

(g) "Peace officer" means any person:

(1) whose primary source of income derived from wages is from direct

employment by a municipality or county as a law enforcement officer on a full-time basis of not less than 30 hours per week;

(2) who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification ~~pursuant to~~ *under* subdivision 2, clause (b);

(3) who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

(h) "Full-time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full-time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized ~~pursuant to~~ *under* section 424A.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 2. Minnesota Statutes 1990, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF REVENUE.] The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive ~~police~~ *state peace officer* aid. The commissioner shall determine qualification upon receipt of (1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required ~~pursuant to~~ *under* section 69.011, (2) the financial compliance report required ~~pursuant to~~ *under* section 6.495, and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before September 1, the commissioner shall calculate ~~pursuant to~~ *under* subdivision 6 the amount of ~~fire state aid and police~~ *(a) state peace officer aid* which each county, or municipality, or independent nonprofit firefighting corporation is to receive and *(b) fire state aid* which each municipality or nonprofit firefighting corporation is to receive. The commissioner shall certify to the commissioner of finance the name of each county, or municipality, and the amount of state aid which each county or municipality is to receive, in the case of state peace officer aid; and the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire state aid.

Sec. 3. Minnesota Statutes 1990, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF STATE PEACE OFFICER AID TO COUNTIES.] ~~With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their net tax capacity, excluding mineral values.~~

~~In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns, or townships in other counties as evidenced by valid fire service contracts filed with the commissioner and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments. The state aid available in respect to peace officers shall not exceed the amount of tax collected and shall be distributed to the counties in proportion to the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.~~

Sec. 4. Minnesota Statutes 1990, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.] (1) ~~The commissioner shall apportion the state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to under this chapter to each municipality and/or firefighters' relief association in the same manner that state aid is apportioned to the counties, one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the net tax capacity market value of the each fire towns in the county for which aid is proportioned town, including the market value of tax exempt property, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.~~

~~In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the net tax capacity market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and net tax capacity market value of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the net tax capacity market value of each service area. The agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.~~

The aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The commissioner is hereby empowered to ~~may~~ make rules to permit the administration of the provisions of this section.

(2) The commissioner shall apportion the state ~~police~~ *peace officer* aid to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed in proportion to the total number of peace officers, as determined ~~pursuant to~~ *under* section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service on a full-time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive ~~police~~ *state peace officer* aid shall be apportioned less ~~police~~ *state peace officer* aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of ~~police~~ *state peace officer* aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of ~~police~~ *state peace officer* aid apportioned shall not exceed the amount of ~~police~~ *state peace officer* aid available for apportionment.

Sec. 5. Minnesota Statutes 1990, section 69.021, subdivision 8, is amended to read:

Subd. 8. [~~POPULATION AND TAX CAPACITY MARKET VALUE.~~] In computations requiring the use of population figures only official statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall not be taken into consideration.

In calculations requiring the use of ~~net tax capacity market value~~ *figures*, only the latest available ~~net tax capacity market value~~ *figures* are to be used.

Sec. 6. Minnesota Statutes 1990, section 69.021, subdivision 9, is amended to read:

Subd. 9. [~~APPEAL.~~] In the event that any fire or police department feels itself to be aggrieved, it may request the commissioner to review and adjust the apportionment of funds within the county *in the case of state peace*

*officer aid, and within the state in the case of fire state aid, and the decision of the commissioner shall be subject to appeal, review, and adjustment by the district court in the county in which the fire or police department is located.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective for aids payable in 1991 and thereafter."*

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

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

S.F. No. 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.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

##### PROPERTY TAX ADMINISTRATION

Section 1. Minnesota Statutes 1990, section 13.51, subdivision 2, is amended to read:

Subd. 2. [INCOME PROPERTY ASSESSMENT DATA.] The following data collected by political subdivisions from individuals or business entities concerning income properties are classified as private or nonpublic data pursuant to section 13.02, subdivisions 9 and 12:

- (a) Detailed income and expense figures for the current year plus the previous three years;
- (b) Average vacancy factors for the previous three years;
- (c) Verified net rentable areas or net usable areas, whichever is appropriate;
- (d) Anticipated income and expenses for the current year; ~~and~~
- (e) Projected vacancy factor for the current year; *and*

*(f) Lease information.*

Sec. 2. Minnesota Statutes 1990, section 270.11, subdivision 6, is amended to read:

Subd. 6. [CHANGE OF ~~NET TAX CAPACITIES MARKET VALUES.~~] The commissioner of revenue shall raise or lower the ~~net tax capacity market value~~ of any real or personal property, including the power to raise or lower the ~~net tax capacity market value~~ of the real or personal property of any individual, copartnership, company, association, or corporation; provided, that before any such assessment against the property of any individual, copartnership, company, association, or corporation is so raised, notice of an intention to raise such ~~net tax capacity market value~~ and of the time and place at which a hearing thereon will be held shall be given to such person, by mail, addressed to the person at the place of residence listed upon the assessment book, at least five days before the day of such hearing.

All relevant and material evidence concerning the ~~net tax capacity market value~~ of the real or personal property shall be submitted at the hearing, and the hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. The person notified of the hearing, or any other person having an interest in the property, may present evidence and argument bearing upon the ~~net tax capacity market value~~ of the property.

Sec. 3. Minnesota Statutes 1990, section 270.12, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES.] The board shall meet annually between April 15 and June 30 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of



personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; ~~and~~

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that are filed in the county auditor's office under section 272.115, by November 1 of the previous year and that occurred between October 1 of the year immediately preceding the previous year and September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property; *and*

*(9) The board shall receive from each county the estimated market values on the assessment date falling within the study period for all parcels, by magnetic tape or other medium as prescribed by the commissioner of revenue.*

Sec. 4. Minnesota Statutes 1990, section 270.12, is amended by adding a subdivision to read:

*Subd. 5. [EQUALIZATION ORDERS.] The board of equalization may, pursuant to its responsibilities under subdivisions 2 and 3, issue orders to ensure that the results of local and county boards of equalization are consistent with the objective of state equalization. The board may issue, at its discretion, a supplemental order to amend, supersede, or correct a prior order of the board or an order of a local or county board. The supplemental order must be issued within 60 days of the order to be changed. The board may issue to a local or county board of equalization, within ten business days of the receipt of minutes of a local or county board of equalization, an order explaining the action that the state board believes will be necessary to effect the objective of state equalization.*

Sec. 5. Minnesota Statutes 1990, section 271.04, is amended to read:  
271.04 [HEARINGS.]

The tax court shall hold hearings and meetings as may be prescribed by the rules of the tax court, *including a rule on the admissibility of evidence not produced 30 days before a hearing by an owner of income-producing property.* The principal office of the tax court shall be in Saint Paul, but it shall hold hearings at any other place within the state, so that taxpayers may appear before the court with as little inconvenience and expense to the

taxpayer as is practicable. The tax court shall be allowed to use the district court court room in all of the counties. The administrator of the tax court shall consult with the court administrator of the district court involved before a schedule of court room to be used by the tax court is established. Each tax court judge may hear and decide cases. Upon petition by a party to a case, or upon a motion by a tax court judge, and approval by a majority of the tax court, a case may be tried before the entire tax court. When an appeal is taken by a resident taxpayer from an order of the commissioner, not involving property taxes, venue for the case shall be, at the election of the taxpayer, in Ramsey county or in the district court judicial district in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a nonresident taxpayer from an order of the commissioner. Venue for all other cases arising under the tax laws of the state shall be in the same judicial district as if the case was being tried in district court.

Sec. 6. Minnesota Statutes 1990, section 271.21, subdivision 6, is amended to read:

Subd. 6. The hearing in the small claims division shall be informal and without a jury. The judge may hear any testimony and receive any evidence the judge deems necessary or desirable for a just determination of the case *except that evidence relating to the valuation of income-producing property not produced to the county assessor 30 days before a hearing by the property owner is not admissible, except when necessary to prevent undue hardship or when failure to produce is due to the unavailability of the evidence at that time.* Sales ratio studies published by the department of revenue may be admissible as a public record without foundation. All testimony shall be given under oath. A party may appear personally or may be represented or accompanied by an attorney. No transcript of the proceedings shall be kept.

Sec. 7. Minnesota Statutes 1990, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES.] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to ~~December 20~~ *July 1* of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by ~~December 20~~ *July 1*, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental entity, church, or educational institution before ~~August~~ *July 1* of the year is exempt for that assessment year if (1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7), and (2) the property is not subject to the filing requirement under section 272.025.

Sec. 8. Minnesota Statutes 1990, section 272.025, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clauses (1) to (7), (10), (11), (13), (15), (16), and (18), except churches and houses of worship and property solely used for educational purposes by academies, colleges, universities or seminaries of learning and property owned by the state of Minnesota or any political subdivision

thereof, shall file a statement of exemption with the assessor of the assessment district in which the property is located. ~~or.~~ In the case of a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clause (9), *the taxpayer* shall file a statement of exemption with the commissioner or revenue, on or before February 15 of each year for which the taxpayer claims an exemption. In case of sickness, absence or other disability or for good cause, the assessor may extend the time for filing the statement of exemption for a period not to exceed 60 days. The commissioner of revenue shall prescribe the form and contents of the statement of exemption.

Sec. 9. Minnesota Statutes 1990, section 272.03, subdivision 1, is amended to read:

Subdivision 1. [REAL PROPERTY.] (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to the land, and all mines, *iron ore and taconite minerals not otherwise exempt*, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) ~~The term "Real property"~~ *shall* does not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment, *and mine shafts, tunnels, and other underground openings used to extract ores and minerals taxed under chapter 298 together with steel, concrete, and other materials used to support such openings.*

(ii) The exclusion provided in clause (i) shall not apply to machinery and equipment includable as real estate by paragraphs (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

(iii) The exclusion provided in clause (i) does not apply to the exterior shell of a structure which constitutes walls, ceilings, roofs, or floors if the shell of the structure has structural, insulation, or temperature control functions or provides protection from the elements. Such an exterior shell is included in the definition of real property even if it also has special functions distinct from that of a building.

(d) The term real property does not include tools, implements, machinery, equipment, poles, lines, cables, wires, conduit, and station connections which are part of a telephone communications system, regardless of attachment to or installation in real property and regardless of size, weight, or method of attachment or installation.

Sec. 10. Minnesota Statutes 1990, section 272.31, is amended to read:

## 272.31 [LIEN OF REAL ESTATE TAXES.]

The taxes assessed upon real property shall be a perpetual lien thereon, and on all structures and standing timber thereon and on all minerals therein, from ~~and including January 2 in the year in which they are levied, until they are paid; but, the property is assessed.~~ As between grantor and grantee, such lien shall not attach until the first Monday of January of the year next thereafter.

Sec. 11. Minnesota Statutes 1990, section 273.111, subdivision 3, is amended to read:

Subd. 3. (a) ~~Real estate~~ *Agricultural land as defined in section 273.13, subdivision 23, consisting of ten acres or more or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d), shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 production for sale of agricultural products as defined in section 273.13, subdivision 23, paragraph (e), and either:*

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within two townships or cities or combination thereof from the qualifying real estate; or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation; or

(4) is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

(1) family farm corporations organized pursuant to section 500.24; and

(2) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of Laws 1983, chapter 222, section 8, will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable

at the end of the three-year period or at time of sale, whichever comes first.

Sec. 12. Minnesota Statutes 1990, section 273.111, subdivision 6, is amended to read:

Subd. 6. Real property shall be considered to be in agricultural use provided that annually: (1) at least 33 1/3 percent of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 plus \$10 per tillable acre; and (2) it is devoted to the production for sale of ~~livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products by the owner, slough, wasteland, and woodland contiguous to or surrounded by land described in subdivision 3 shall be considered to be in agricultural use if under the same ownership and management agricultural products as defined in section 273.13, subdivision 23, paragraph (e).~~

Sec. 13. Minnesota Statutes 1990, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) 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.

(b) 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.

(c) 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.

(d) 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 coowners 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. 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. For purposes of this paragraph and paragraph (e), "relative" means a parent, stepparent, child, stepchild, grandparent, brother, sister, uncle, or aunt. This relationship may be by blood or marriage.

(e) In the case of property owned and formerly occupied by two or more persons in joint tenancy or tenancy in common and those persons are relatives as defined in paragraph (d), when one or more of the owners ceases to occupy the property, the assessor shall continue to allow a full homestead classification as long as at least one of the owners continues to occupy the property for purposes of a homestead. This paragraph applies only to single family residential property.

Sec. 14. Minnesota Statutes 1990, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision. *To be effective for taxes payable in the following calendar year, a change of homestead classification must be entered on assessment and tax records before July 1.*

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 15. Minnesota Statutes 1990, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, ~~the homestead credit under section 273.1398 for taxes payable in 1990 and thereafter,~~ the taconite homestead credit under section 273.135, and the supplemental homestead credit, ~~and the tax reduction resulting from the agricultural credit under section 273.1398 for taxes payable in 1990 and thereafter under section 273.1391.~~ The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to ~~25~~ 50 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of tax reduction resulting from classification as a homestead and the amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 16. Minnesota Statutes 1990, section 273.124, subdivision 14, is amended to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to ~~agricultural land~~ ~~and~~ on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the department of natural resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 17. Minnesota Statutes 1990, section 273.124, subdivision 15, is amended to read:

Subd. 15. [RESIDENCE OF DISABLED CHILD, PARENT, OR SIBLING OF OWNER.] The principal residence of an individual who has a permanent disability as defined in section 290A.03, subdivision 10, shall be classified as a homestead if the residence is wholly owned by a parent or both parents of the individual, *by a child or children of the individual, or by a sibling or siblings of the individual. This subdivision does not apply to a residence owned by a child of a disabled parent if the property had been the homestead of the parent or parents of the child immediately prior to its acquisition by the child until the first levy year beginning three years after the date of acquisition.* The application for homestead benefits must be on a form prescribed by the commissioner and must contain the information necessary for the assessor to determine whether homestead classification under this subdivision is warranted.

Sec. 18. Minnesota Statutes 1990, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$110,000 has a class rate of two percent of its market value. The market value of class 1a property that exceeds



\$110,000 has a class rate of three percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) ~~with assistance by the administration of veterans affairs~~ has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

~~(iii)~~ (4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

*Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies that the owner of the property satisfies the disability requirements of this subdivision.*

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45

percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of .4 percent of the first \$32,000 of market value for taxes payable in 1990, .6 percent of the first \$32,000 of market value for taxes payable in 1991, .8 percent of the first \$32,000 of market value for taxes payable in 1992, and one percent of market value in excess of \$32,000 for taxes payable in 1990, 1991, and 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 19. Minnesota Statutes 1990, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of .45 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a net class rate of 1.3 percent of market value for taxes payable in 1990 and thereafter, and a gross class rate of 2.25 percent of market value. The remaining property over the \$110,000 market value in excess of 320 acres has a class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural ~~use~~ land may include ~~pasture, timber, waste,~~

~~unusable wild land, and slough, wasteland, and woodland contiguous to or surrounded by agricultural land, if under the same ownership and management, and land included in state or federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products; and includes the commercial boarding of horses if the commercial boarding of horses is done in conjunction with the raising or cultivation of agricultural products.~~

(d) Real estate of less than ten acres used principally for raising ~~poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption if the fish breeding occurs on land zoned for or cultivating agricultural use;~~ products shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in ~~the preceding sentence means any of the products identified in section 273.111, this subdivision 6, clause (2) includes:~~ (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products by the owner, (2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use, and (3) the commercial boarding of horses if the boarding is done in conjunction with the raising or cultivation of agricultural products as defined in clause (1).

(e)(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3).

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 20. Minnesota Statutes 1990, section 276.041, is amended to read:  
276.041 [FILING TO RECEIVE NOTICE OF DELINQUENT TAXES.]

Fee owners, vendees, mortgagees, lienholders, *escrow agents*, and lessees

of real property may file their names and current mailing addresses with the county auditor in the county where the land is located for the purpose of receiving notices affecting the land that are issued under sections 276.04, 281.23, and 279.091. A person filing shall pay a filing fee of \$15 to the county auditor for each parcel. The filing expires after three years. The county auditor shall give a copy of the list of names and addresses to the county treasurer. Taxpayers of record with the county auditor and mortgagees who remit taxes on their behalf shall receive tax statements and other notices and are not required to file and pay fees under this section.

Sec. 21. Minnesota Statutes 1990, section 277.01, is amended to read:  
277.01 [WHEN TAX IS DELINQUENT; PENALTY.]

Subdivision 1. Except as provided in this subdivision and subdivision 3, all unpaid personal property taxes shall be deemed delinquent on May 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent if not paid before May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October 16, and thereupon a penalty of eight percent shall attach on the unpaid second half. This section shall not apply to ~~class 2a~~ property taxed under section 274.19, subdivision 8, paragraph (c).

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

*Subd. 3. [IMPROVEMENTS TO REAL PROPERTY.] Personal property taxes assessed upon improvements made to real property taxed under section 272.01, subdivision 2, or 273.19, if unpaid, become delinquent on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later. If the tax against the improvements exceeds \$50, one-half may be paid before May 16 and the remaining one-half must be paid at any time before the following October 16, without penalty. Section 279.01, subdivision 1, otherwise governs imposition of penalties.*

Sec. 22. Minnesota Statutes 1990, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, a penalty shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The penalty shall be at a rate of three percent on homestead

property and seven percent on nonhomestead property. This penalty shall not accrue until June 1 of each year, or 21 days after the postmark date on the envelope containing the property tax statements, whichever is later, on commercial use real property used for seasonal residential recreational purposes and classified as class 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and non-homestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes provided that if the due date was extended beyond May 15 as the result of any delay in mailing property tax statements no additional penalty shall accrue if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had been May 15 shall be charged. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

*This section applies to payment of personal property taxes assessed against improvements to leased property, except as provided by section 277.01, subdivision 3.*

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 23. Minnesota Statutes 1990, section 279.01, subdivision 2, is amended to read:

Subd. 2. ~~In the case of any tax on class 1b, 2a, and 1a homestead property paid within 30 days after the due date specified in this section or after the 30-day extension as specified in subdivision 3,~~ The county board may, with the concurrence of the county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment of taxes in the current year. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty on finding that the imposition of the penalty would be unjust and unreasonable.

Sec. 24. Minnesota Statutes 1990, section 279.06, is amended to read:  
279.06 [COPY OF LIST AND NOTICE.]

Subdivision 1. [LIST AND NOTICE.] Within five days after the filing of such list, the court administrator shall return a copy thereof to the county auditor, with a notice prepared and signed by the court administrator, and attached thereto, which may be substantially in the following form:

State of Minnesota )  
 ) ss.  
County of ..... )  
District Court  
..... Judicial District.

The state of Minnesota, to all persons, companies, or corporations who have or claim any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land described in the list hereto attached:

The list of taxes and penalties on real property for the county of ..... remaining delinquent on the first Monday in January, 19....., has been filed in the office of the court administrator of the district court of said county, of which that hereto attached is a copy. Therefore, you, and each of you, are hereby required to file in the office of said court administrator, on or before the 20th day after the publication of this notice and list, your answer, in writing, setting forth any objection or defense you may have to the taxes, or any part thereof, upon any parcel of land described in the list, in, to, or on which you have or claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment will be entered against such parcel of land for the taxes on such list appearing against it, and for all penalties, interest, and costs. Based upon said judgment, the land shall be sold to the state of Minnesota on the second Monday in May, 19..... The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) non-agricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), or subdivision 25, paragraph (d)(1) or (c)(4), clause (5), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Inquiries as to the proceedings set forth above can be made to the county auditor of ..... county whose address is .....

(Signed) .....

Court Administrator of the District Court of the County  
of .....  
(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of . . . . . , on which taxes remain delinquent on the first Monday in January, 19 . . . . . :

Town of (Fairfield),  
Township (40), Range (20),

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who Have Filed Their Addresses Pursuant to section 276.041

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who Have Filed Their Addresses Pursuant to section 276.041	Subdivision of Section	Section	Tax Parcel Number	Total Tax and Penalty \$ cts.
John Jones (825 Fremont Fairfield, MN 55000)	S.E. 1/4 of S.W. 1/4	10	23101	2.20
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	That part of N.E. 1/4 of S.W. 1/4 desc. as follows: Beg. at the S.E. corner of said N.E. 1/4 of S.W. 1/4; thence N. along the E. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence W. parallel with the S. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence S. parallel with said E. line a distance of 600 ft. to S. line of said N.E. 1/4 of S.W. 1/4; thence E. along said S. line a distance of 600 ft. to the point of beg. . . . .	21	33211	3.15

As to platted property, the form of heading shall conform to circumstances and be substantially in the following form:

City of (Smithtown)  
Brown's Addition, or Subdivision

Names (and Current  
Filed Addresses) for  
the Taxpayers and  
Fee Owners and in  
Addition Those Par-  
ties Who have  
Filed Their  
Addresses Pursuant  
to section 276.041

	Lot	Block	Tax Parcel Number	Total Tax and Penalty \$ cts
John Jones (825 Fremont Fairfield, MN 55000)	15	9	58243	2.20
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	16	9	58244	3.15

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Subd. 2. [FORM OF LIST AND NOTICE.] Notwithstanding the provisions of subdivision 1, the commissioner of revenue shall prescribe the form of the list and notice required under subdivision 1. The form shall contain the information required under subdivision 1, but shall be organized and presented in a manner easily read and understood. The print must be easily read and contain standard use of capital and lower-case letters. The court administrator shall use the form prescribed by the commissioner for purposes of this section. *The notices published and mailed by the county auditor must also be in the form prescribed by the commissioner.*

Sec. 25. Minnesota Statutes 1990, section 281.17, is amended to read:  
281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), or subdivision 25, paragraph ~~(d)~~ ~~(1)~~ ~~or~~ (c) ~~(4)~~, clause (5), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section



273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 26. Minnesota Statutes 1990, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. Parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes shall be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. The classification, furthermore, must encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; facilitate reduction of governmental expenditures; conserve and develop the natural resources; and foster and develop agriculture and other industries in the districts and places best suited to them.

In making the classification the county board may use information made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made. The lands may be reclassified from time to time as the county board may consider necessary or desirable, except for conservation lands held by the state free from any trust in favor of any taxing district.

If the lands are located within the boundaries of an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 90 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale for one year. *A clerical error made by county officials does not serve to*

*eliminate the request of the town board or governing body if the board or governing body has forwarded the application to the county auditor.*

Sec. 27. Minnesota Statutes 1990, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of the property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. *The county board may also grant the abatement of penalties for taxes paid within 30 days of the due date, regardless of the classification of the property.* The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. *If the application is for abatement of penalty or interest, the application must be first approved by the county treasurer and county auditor.* No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

Sec. 28. Minnesota Statutes 1990, section 515A.1-105, subdivision 1, is amended to read:

Subdivision 1. [HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ~~ten~~ 30 days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Sec. 29. Minnesota Statutes 1990, section 515A.4-102, is amended to read:

515A.4-102 [DISCLOSURE STATEMENT; GENERAL PROVISIONS.]

A disclosure statement shall fully disclose:

(a) the name and principal address of the declarant and the address and the name, if any, and number, if available, of the condominium;

(b) a general description of the condominium; including without limitation the types and number of all buildings, units and amenities, and declarant's schedule of commencement and completion of construction thereof;

(c) the total number of additional units that may be included in the condominium and whether the declarant intends to rent or market blocks of units to investors;

(d) a copy of the declaration other than the condominium plat, condominium plat for the particular unit, bylaws, articles of incorporation, rules and regulations, and any contracts and leases to which the unit owners or association will be subject and which may not be canceled upon 30 days notice by the association;

(e) any current balance sheet and a projected budget for the association for the first full or partial year during which a unit is conveyed to a unit owner other than a declarant and any projected budget for future years which the association has adopted, and a statement of who prepared the balance sheet, projected budget or budget. The budget or projected budget shall include, without limitation:

(1) a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

(2) a statement of any other reserves;

(3) the projected common expense assessment by category of expenditures for the association;

(4) the projected monthly common expense assessment for each type of unit;

(f) any supplies and services not reflected in the budget or projected budget which the declarant provides, or expenses which the declarant pays, and which the declarant expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit;

(g) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(h) a description of any liens, defects, or encumbrances on or affecting the title to the condominium after the contemplated conveyance;

(i) a description of any financing offered by the declarant;

(j) the terms of any warranties provided by the declarant, including the warranties set forth in sections 515A.4-111 and 515A.4-112, and limitations imposed by the declarant on the enforcement thereof;

(k) a statement that:

(1) within 15 days after receipt of a disclosure statement, a purchaser may, prior to conveyance, cancel any purchase agreement of a unit from a declarant;

(2) if a declarant fails to provide a disclosure statement to a purchaser before conveying a unit, that purchaser may recover from the declarant an amount not to exceed five percent of the sales price of the unit; and

(3) if a purchaser received the disclosure statement more than 15 days before signing a purchase agreement, the purchaser cannot cancel the agreement;

(l) a statement disclosing, to the extent of the actual knowledge of the declarant or an affiliate of the declarant after reasonable inquiry, any judgments against the association, the status of any pending suits to which the association is a party, and the status of any pending suits material to the condominium;

(m) a statement that any earnest money paid in connection with the purchase of a unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the purchase agreement pursuant to section 515A.4-106;

(n) a description of the insurance coverage to be provided for the benefit of unit owners;

(o) any current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the condominium; and

(p) whether financial arrangements have been provided for completion of all improvements labeled "MUST BE BUILT" pursuant to section 515A.4-117 (Declarant's Obligation to Complete and Restore); and

(q) a statement (1) that there are no delinquent taxes on the property or, if there are delinquent taxes on the property, the amount of the delinquent taxes and the length of the delinquency, and (2) that discloses the amount, if known, of taxes due in the current year.

#### Sec. 30. [EFFECTIVE DATES.]

*Sections 2, 7, 9, 13, 16, 17, 18, 21, and 22 are effective for taxes levied in 1991, payable in 1992 and subsequent years. Section 6 is effective for appeals filed after July 31, 1991. Sections 8, 10, 11, 12, and 19 are effective for taxes levied in 1992, payable in 1993 and thereafter. Sections 1, 4, 14, 15, 20, 24, 25, and 26 are effective the day following final enactment. Sections 3, 23, 27, and 28 are effective July 1, 1991.*

### ARTICLE 2

#### PROPERTY TAX TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1990, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) To defray the cost of the activities under subdivision 1, the governing body of the political subdivision may levy a tax which, except when levied by a county, must not exceed a ~~gross local tax rate of .55 percent or a net local tax rate of .68~~ *0.01596 percent of taxable market value* in any year in excess of charter ~~local tax rate~~ limitations, but not ~~in any event~~ more than 50 cents per capita, except that the levy for the grasshopper control program under sections 18.0223 to 18.0227 is not subject to the 50 cents per capita limitation. The political subdivision may make the levy, where necessary, separate from the general levy and at any time of the year.

(b) If, because of the prevalence of Dutch elm disease, the governing body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to a ~~gross local tax rate of 4.4 percent or a net local tax rate of 1.36~~ *gross local tax rate of 0.03216 percent of taxable market value, but not in any event more than one dollar per capita.*

Sec. 2. Minnesota Statutes 1990, section 69.011, subdivision 3, is amended to read:

Subd. 3. ~~[FAILURE TO FILE CERTIFICATE DEEMED WAIVER.] If the certificate a certification required by this section is not filed with the commissioner within the time prescribed by this section the municipality or nonprofit fire fighting corporation shall be deemed to have relinquished its rights for the year to the benefits under this chapter by the due date prescribed by this section, the commissioner shall notify the municipality or the nonprofit fire fighting corporation that a portion or all of its current year aid will be forfeited if the certification is not received within ten days. The amount of aid forfeited is equal to the amount of state police aid or state fire aid determined for the municipality or fire fighting corporation for the current year, multiplied by five percent for each week or fraction of a week that this certification is late. The penalty will be computed beginning ten days after the postmark date of the commissioner's notification as required under this subdivision. All forfeited aid amounts revert to the general fund in the state treasury. Failure to receive the certificate form cannot be used as a defense for not filing.~~

Sec. 3. Minnesota Statutes 1990, section 272.67, subdivision 6, is amended to read:

Subd. 6. A certified copy of every ordinance, amendment, and order adopted or entered pursuant to this section shall be filed with the county auditor before it becomes effective. *For the purposes of taxation, if the ordinance, amendment, or order is certified on or before August 1 of a levy year, it may be implemented that same levy year. If the ordinance, amendment, or order is certified after August 1 of a levy year, it may not be implemented until the following levy year.* The amount of taxes levied each year by each city shall be certified to the county auditor in the manner now or hereafter provided by law. Taxes levied for payment of bonds and judgments and interest thereon shall continue to be spread upon all taxable property within the boundaries of the city in proportion to the ~~gross net~~ tax capacity thereof. The remaining amount of the taxes levied each year shall be allocated by the county auditor to the urban service district and the rural service district in amounts proportionate to the current benefit ratio times the current ratio between the market values of all taxable property within the urban service district and all taxable property within the rural service district. Within each district, the amount so allocated shall be spread upon all taxable property in proportion to the net tax capacity thereof.

Sec. 4. Minnesota Statutes 1990, section 273.1398, subdivision 5, is amended to read:

Subd. 5. ~~[ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.]~~ Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) ~~Each year In 1990, the commissioner shall determine the total education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under this section, local government aid to cities, counties, and towns paid under chapter 477A, and human services aids, including for aids paid in 1991 and thereafter, the amount paid under subdivision 5b, paid to counties for each taxing jurisdiction. The commissioner shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.~~

(2) ~~Each year In 1990, the commissioner will compute a gross local tax rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity under Minnesota Statutes 1988, section 273.13. For each unique taxing jurisdiction, a total gross local tax rate will be determined. This total gross local tax rate will be applied against the gross tax capacity of property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. An estimated homestead and agricultural credit amount will be determined for all qualifying parcels based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.~~

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the local tax rates of all local governments levying taxes within the unique taxing jurisdiction in the following year for taxes payable in 1991 as provided in subdivision 3, clause (b). The commissioner shall certify the amounts of additional credits determined under this subdivision to the county auditor at the time provided in subdivision 6.

(3) *For taxes payable in 1992 and subsequent years, the additional homestead and agricultural credit guarantee shall be determined in accordance with the provisions of subdivision 3.*

Sec. 5. Minnesota Statutes 1990, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them. *The aids provided in subdivisions 2, 2b, 3, and 5 must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.*

Sec. 6. 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.~~

Sec. 7. [REPEALER.]

*Laws 1989, chapter 277, article 4, section 2, is repealed.*

Sec. 8. [EFFECTIVE DATES.]

*Sections 1 and 7 are effective on the day following final enactment. Sections 2, 3, 5, and 6 are effective for aids payable in 1992. Section 4 is effective for aids payable in 1991.*

### ARTICLE 3

#### REVERSE MORTGAGES

Section 1. Minnesota Statutes 1990, section 47.58, subdivision 6, is amended to read:

Subd. 6. [TAXES; INSURANCE.] The borrower shall pay real estate taxes, assessments and insurance premiums on the property securing the loan, and the lender may require the borrower to provide evidence of payment. *Mortgage registry tax required under sections 287.01 to 287.12 must be paid at the time of the recording or registering of the original reverse mortgage.* If the borrower does not make timely payment the lender may pay taxes, assessments, insurance premiums and other similar charges for the protection of the property securing its loan and may add these payments to the outstanding loan balance if not repaid by the borrower within 60 days after the borrower receives notice that the lender has made the payment.

Sec. 2. Minnesota Statutes 1990, section 287.05, is amended to read:

287.05 [TAX ON RECORDATION OR REGISTRATION; SUPPLEMENTAL MORTGAGES.]

Subdivision 1. [TAX IMPOSED.] A tax of 23 cents is imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein. The tax imposed by this section shall not apply to a contract for the conveyance of any interest in real estate.

Subd. 2. [SUPPLEMENTAL MORTGAGES.] Any supplemental mortgage, *not including revisions to a reverse mortgage as described under subdivision 6,* securing a portion or all of the same indebtedness, whether or not additional security is included, shall be taxed in the following manner:

(a) Any additional indebtedness shall be taxed on the ratio that the value of the real estate therein described in this state bears to the value of the whole of the real estate described therein.

(b) If there is no additional indebtedness but the percentage of the Minnesota real estate as compared to the total real estate secured by the previous mortgage is increased, the tax shall be recomputed and paid on the remaining indebtedness multiplied by the difference between that percentage of Minnesota real estate included in the supplemental mortgage and that percentage included in any previous mortgage.

(c) In the event of both an increase in the indebtedness and a change in the Minnesota percentage of real estate given as security, the tax shall be recomputed on the portion representing new indebtedness in the manner provided in (a) and in the event of an increase in the percentage of Minnesota property included as security, the tax shall be computed on the remaining portion of the indebtedness as provided in (b).

Subd. 3. [REVOLVING LINES OF CREDIT.] When a mortgage, *including a reverse mortgage*, secures a revolving line of credit under which advances, payments, and readvances may be made from time to time, the tax imposed under subdivision 1 shall be paid on the maximum amount of the line of credit which may be secured at any one time, as expressed in the mortgage, regardless of the time or amount of advances, payments, or readvances.

Subd. 4. [ADVANCES BY MORTGAGEE.] No tax under subdivision 1 shall be paid on the indeterminate amount which may be advanced by the mortgagee in protection of the mortgaged premises or the mortgage, including taxes, assessments, charges, claims, fines, impositions, insurance premiums, amounts due upon prior or superior mortgages and other prior or superior liens, encumbrances and interests, and legal expenses and attorneys' fees.

Subd. 5. [INDETERMINATE AMOUNTS.] When a mortgage secures an indeterminate amount other than those described in subdivision 3 or 4, or 6, no tax shall be paid at the time the mortgage is recorded or registered, but the tax must be paid at the time of recording or filing an affidavit stating the amount and time of the actual advance.

Subd. 6. [REVERSE MORTGAGES.] *If real property secures a reverse mortgage, the principal debt or obligation to which mortgage registry tax applies is the expected total disbursements or cash equivalent to be made under the terms of the loan. Interest accruing on the disbursements made is not subject to mortgage registry tax. In the case of periodic payments made for an indefinite length of time, the expected total disbursements must equal the product of the periodic payment amounts and the number of payments and, if applicable, the amount of cash distribution or its equivalent. The number of payments must be based upon the life expectancy assumption used in determining the payment amount. In the case of reverse mortgages made as part of the Housing and Community Development Act of 1987, section 255 of the National Housing Act, and administered by the Department of Housing and Urban Development (HUD), mortgage registry tax must not be assessed on Federal Housing Administration mortgage insurance premiums, monthly lender service fees, or payments to be distributed to the borrower by HUD.*

Sec. 3. [EFFECTIVE DATE.]



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

#### ARTICLE 4

#### MISCELLANEOUS

Section 1. 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 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, *except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"*; 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.

Sec. 2. Minnesota Statutes 1990, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor, one copy on the county attorney, ~~and one copy on the county treasurer, and one copy on the county assessor.~~ In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county ~~auditor~~ assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 3. Minnesota Statutes 1990, section 414.031, subdivision 6, is amended to read:

Subd. 6. [EFFECTIVE DATE OF ANNEXATION.] The annexation shall be effective as of the date fixed in the annexation order or on such later date as is fixed in the annexation order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the*

following levy year.

Sec. 4. Minnesota Statutes 1990, section 414.0325, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF ANNEXATION.] The board's order shall be effective upon the issuance of the order or at such later time as is provided by the board in its order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.*

Sec. 5. Minnesota Statutes 1990, section 414.033, subdivision 7, is amended to read:

Subd. 7. Any annexation ordinance provided for in this section must be filed with the board, the township, the county auditor and the secretary of state and is final on the date the ordinance is approved by the board. *A copy of the annexation ordinance must be delivered immediately by the governing body of the municipality to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.*

Sec. 6. Minnesota Statutes 1990, section 414.06, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF DETACHMENT.] The detachment shall be effective upon the issuance of the board's order, or at such later date, as provided by the board in its order. *A copy of the detachment order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the detachment becomes effective on or before August 1 of a levy year, the town or towns acquiring the detached area may levy on it beginning with that same levy year. If the detachment becomes effective after August 1 of a levy year, the municipality may continue to levy on the detached area for that levy year, and the town or towns acquiring the detached area may not levy on it until the following levy year.*

Sec. 7. Minnesota Statutes 1990, section 414.061, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVE DATE.] The concurrent detachment and annexation shall be effective upon the issuance of the board's order, or at such later date as provided by the board in its order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality acquiring the detached area of another municipality may levy on it beginning with that same levy year. If*

*the annexation becomes effective after August 1 of a levy year, the municipality losing the detached area may continue to levy on it for that levy year, and the municipality acquiring the detached area may not levy on it until the following levy year.*

Sec. 8. Minnesota Statutes 1990, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL NET TAX CAPACITY.] (a) Except as provided in paragraph (b), "original net tax capacity" means the tax capacity of all taxable real property within a tax increment financing district as ~~most recently~~ certified by the commissioner of revenue ~~as of the date of for the previous assessment year, provided that the request by an authority for certification by of a new tax increment financing district or for the expansion of an existing district has been made to the county auditor, on or before June 30. The original tax capacity of districts for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together~~ with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original net tax capacity the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

(b) The original net tax capacity of any designated hazardous substance site or hazardous substance subdistrict shall be determined as of the date the authority certifies to the county auditor that the authority has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan. The original net tax capacity equals (i) the net tax capacity of the parcel or parcels in the site or subdistrict, as most recently determined by the commissioner of revenue, less (ii) the estimated costs of the removal actions and remedial actions as specified in a development response action plan to be undertaken with respect to the parcel or parcels, (iii) but not less than zero.

(c) The original net tax capacity of a hazardous substance site or subdistrict shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (ii), upon certification by the municipality that the cost of the removal and remedial actions specified in the development response action plan, except for long-term monitoring and similar activities, have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly owned property.

Sec. 9. [REPEALER.]

*Minnesota Statutes 1990, section 273.137, is repealed.*

Sec. 10. [EFFECTIVE DATES.]

*Sections 1, 3 to 7, and 9 are effective for taxes payable in 1992 and thereafter. Section 2 is effective for tax petitions filed after May 16, 1991. Section 8 is effective June 30, 1991."*

Delete the title and insert:

"A bill for an act relating to taxation; property tax; mortgage registry tax; making technical corrections and administrative changes; providing for classification of certain minerals and mining property; extending homestead treatment in certain instances; providing for mortgage registration tax on reverse mortgages; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 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; 271.04; 271.21, subdivision 6; 272.02, subdivision 4; 272.025, subdivision 1; 272.03, subdivision 1; 272.31; 272.67, subdivision 6; 273.111, subdivisions 3 and 6; 273.124, subdivisions 1, 9, 13, 14, and 15; 273.13, subdivisions 22 and 23; 273.1398, subdivisions 5 and 6; 276.04, subdivision 2; 276.041; 277.01; 278.01, subdivision 1; 279.01, subdivisions 1 and 2; 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, subdivision 1; 515A.1-105, subdivision 1; and 515A.4-102; repealing Minnesota Statutes 1990, section 273.137; Laws 1989, chapter 277, article 4, section 2."

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

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

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, line 13, after the first "*of*" insert "*immediate*"

Amend the report from the Committee on Education, adopted by the Senate April 18, 1991, as follows:

Page 1, line 16, delete "*other than a head varsity coach,*"

Page 1, line 27, delete "*, other than a head varsity coach,*"

Page 1, line 38, after "*A*" insert "*head varsity coach may be excluded under this section only by the*" and delete "*a*" and insert "*the*"

Page 2, line 1, delete "*head varsity*" and delete everything after "*coach*"

Page 2, delete lines 2 to 8

Page 2, line 9, delete everything before the period

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

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

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.

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

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### AMENDMENTS TO UNIFORM COMMERCIAL CODE

#### ARTICLE 2A (LEASES)

Section 1. Minnesota Statutes 1990, section 336.2A-103, is amended to read:

336.2A-103 [DEFINITIONS AND INDEX OF DEFINITIONS.]

(1) In this article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means a unit of goods that by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee, ~~except an organization,~~ who is an individual and who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed \$25,000.

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease in which

(1) the lessor does not select, manufacture, or supply the goods,

(2) the lessor acquires the goods or the right to possession and use of the goods in connection with the lease, and

(3) either

(i) the lessee receives a copy of the contract evidencing the lessor's purchase of the goods or a disclaimer statement on or before signing the lease contract, or

(ii) the lessee's approval of the contract evidencing the lessor's purchase of the goods or a disclaimer statement is a condition to effectiveness of the lease contract.

"Disclaimer statement" means a written statement that is part of or separate from the lease contract that discloses all warranties and other rights provided to the lessee by the lessor and supplier in connection with the lease contract and informs the lessee in a conspicuous manner that there are no warranties or other rights provided to the lessee by the lessor and supplier other than those disclosed in the statement.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (section 336.2A-309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit

and includes receiving goods or documents of title under a pre-existing lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(2) Other definitions applying to this article and the sections in which they appear are:

"Accessions." Section 336.2A-310(1).

"Construction mortgage." Section 336.2A-309(1)(d).

"Encumbrance." Section 336.2A-309(1)(e).

"Fixtures." Section 336.2A-309(1)(a).

"Fixture filing." Section 336.2A-309(1)(b).

"Purchase money lease." Section 336.2A-309(1)(c).

(3) The following definitions in other articles apply to this article:

"Accounts Account." Section 336.9-106.



- "Between merchants." Section 336.2-104(3).
- "Buyer." Section 336.2-103(1)(a).
- "Chattel paper." Section 336.9-105(1)(b).
- "Consumer goods." Section 336.9-109(1).
- ~~"Documents~~ *Document.*" Section 336.9-105(1)(f).
- "Entrusting." Section 336.2-403(3).
- "General intangibles." Section 336.9-106.
- "Good faith." Section 336.2-103(1)(b).
- ~~"Instruments~~ *Instrument.*" Section 336.9-105(1)(i).
- "Merchant." Section 336.2-104(1).
- "Mortgage." Section 336.9-105(1)(j).
- "Pursuant to commitment." Section 336.9-105(1)(k).
- "Receipt." Section 336.2-103(1)(c).
- "Sale." Section 336.2-106(1).
- "Sale on approval." Section 336.2-326.
- "Sale or return." Section 336.2-326.
- "Seller." Section 336.2-103(1)(d).

(4) In addition, sections 336.1-101 to 336.1-109 contain general definitions and principles of construction and interpretation applicable throughout this article.

Sec. 2. Minnesota Statutes 1990, section 336.2A-209, is amended to read:

**336.2A-209 [LESSEE UNDER FINANCE LEASE AS BENEFICIARY OF SUPPLY CONTRACT.]**

(1) The benefit of ~~the~~ *a* supplier's promises to the lessor under the supply contract and of all warranties, whether express or implied, ~~under including those of any third party provided in connection with or as part of the supply contract,~~ extends to the lessee to the extent of the lessee's leasehold interest under a finance lease related to the supply contract, but *is* subject to the terms of the *warranty and of the supply contract* and all of ~~the supplier's~~ defenses or claims arising from the supply contract.

(2) The extension of the benefit of ~~the~~ *a* supplier's promises and of warranties to the lessee (section 336.2A-209(1)) does not: ~~(a)~~ *(i)* modify the rights and obligations of the parties to the supply contract, whether arising from the supply contract or otherwise, or ~~(b)~~ *(ii)* impose any duty or liability under the supply contract on the lessee.

(3) Any modification or rescission of the supply contract by the supplier and the lessor is effective ~~against~~ *between the supplier and the lessee unless, prior to before* the modification or rescission, the supplier has received notice that the lessee has entered into a finance lease related to the supply contract. ~~If the supply contract is modified or rescinded after the lessee enters the finance lease, the lessee has a cause of action against the lessor, and against the supplier if the supplier has notice of the lessee's entering the finance lease when the supply contract is modified or rescinded. The lessee's~~

recovery from such action shall put the lessee in as good a position as if the modification or rescission had not occurred. If the modification or rescission is effective between the supplier and the lessee, the lessor is deemed to have assumed, in addition to the obligations of the lessor to the lessee under the lease contract, promises of the supplier to the lessor and warranties that were so modified or rescinded as they existed and were available to the lessee before modification or rescission.

(4) In addition to the extension of the benefit of the supplier's promises and of warranties to the lessee under subsection (1), the lessee retains all rights that the lessee may have against the supplier that arise from an agreement between the lessee and the supplier or under other law.

Sec. 3. Minnesota Statutes 1990, section 336.2A-303, is amended to read:

336.2A-303 [ALIENABILITY OF PARTY'S INTEREST UNDER LEASE CONTRACT OR OF LESSOR'S RESIDUAL INTEREST IN GOODS; DELEGATION OF PERFORMANCE; ASSIGNMENT TRANSFER OF RIGHTS.]

(1) Any interest of a party under a lease contract and the lessor's residual interest in the goods may be transferred unless

(a) the transfer is voluntary and the lease contract prohibits the transfer; or

(b) the transfer materially changes the duty of or materially increases the burden or risk imposed on the other party to the lease contract, and within a reasonable time after notice of the transfer the other party demands that the transferee comply with subsection (2) and the transferee fails to comply.

(2) Within a reasonable time after demand pursuant to subsection (1)(b), the transferee shall:

(a) cure or provide adequate assurance that the transferee will promptly cure any default other than one arising from the transfer;

(b) compensate or provide adequate assurance that the transferee will promptly compensate the other party to the lease contract and any other person holding an interest in the lease contract, except the party whose interest is being transferred, for any loss to that party resulting from the transfer;

(c) provide adequate assurance of future due performance under the lease contract; and

(d) assume the lease contract.

(3) Demand pursuant to subsection (1)(b) is without prejudice to the other party's rights against the transferee and the party whose interest is transferred.

(1) As used in this section, "creation of a security interest" includes the sale of a lease contract that is subject to article 9, secured transactions, by reason of section 336.9-102(1)(b).

(2) Except as provided in subsections (3) and (4), a provision in a lease agreement that (i) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (ii) makes the transfer an event of default, gives rise to the rights and remedies provided in subsection (5), but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

(3) A provision in a lease agreement that (i) prohibits the creation or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods, or (ii) makes the transfer an event of default, is not enforceable unless, and then only to the extent that, there is an actual transfer by the lessee of the lessee's right of possession or use of the goods in violation of the provision or an actual delegation of a material performance of either party to the lease contract in violation of the provision. Neither the granting nor the enforcement of a security interest in (i) the lessor's interest under the lease contract or (ii) the lessor's residual interest in the goods is a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the lessee within the purview of subsection (5) unless, and then only to the extent that, there is an actual delegation of a material performance of the lessor.

(4) An assignment of "the lease" or of "all my rights under the lease" or an assignment in similar general terms is a transfer of rights, and unless the language or the circumstances, as in an assignment for security, indicate the contrary, the assignment is a delegation of duties by the assignor to the assignee and acceptance by the assignee constitutes a promise by the assignee to perform those duties. This promise is enforceable by either the assignor or the other party to the lease contract. A provision in a lease agreement that (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes the transfer an event of default, is not enforceable, and the transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection (5).

(5) Subject to subsections (3) and (4):

(a) if a transfer is made that is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in section 336.2A-501(2);

(b) if paragraph (a) is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (i) the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

(6) A transfer of "the lease" or of "all my rights under the lease," or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

~~(5) (7) Unless otherwise agreed by the lessor and the lessee, no a delegation of performance ~~relieves does not relieve~~ the assignor or transferor as against the other party of any duty to perform or of any liability for default.~~

~~(6) A right to damages for default with respect to the whole lease contract or a right arising out of the assignor's due performance of the assignor's entire obligation can be assigned despite agreement otherwise.~~

~~(7) (8) In a consumer lease, to prohibit the transfer of an interest of a party under a the lease contract or to make a transfer an event of default, the language of prohibition must be specific, by a writing, and conspicuous.~~

Sec. 4. Minnesota Statutes 1990, section 336.2A-304, is amended to read:

#### 336.2A-304 [SUBSEQUENT LEASE OF GOODS BY LESSOR.]

(1) Subject to ~~the provisions of~~ section 336.2A-303, a subsequent lessee from a lessor of goods under an existing lease contract obtains, to the extent of the leasehold interest transferred, the leasehold interest in the goods that the lessor had or had power to transfer, and except as provided in subsection (2) and section 336.2A-527(4), takes subject to the existing lease contract. A lessor with voidable title has power to transfer a good leasehold interest to a good faith subsequent lessee for value but only to the extent set forth in the preceding sentence. ~~When~~ *If* goods have been delivered under a transaction of purchase, the lessor has that power even though:

- (a) the lessor's transferor was deceived as to the identity of the lessor;
- (b) the delivery was in exchange for a check which is later dishonored;
- (c) it was agreed that the transaction was to be a "cash sale"; or
- (d) the delivery was procured through fraud punishable as larcenous under the criminal law.

(2) If a lessee has entrusted leased goods to the lessee's lessor who is a merchant dealing in goods of that kind, a subsequent lessee from that lessor under a lease entered into after the entrustment and in the ordinary course of business takes those goods free of the existing lease contract and obtains, to the extent of the leasehold interest transferred, all of the lessor's and the earlier lessee's rights to the goods.

(3) A subsequent lessee from the lessor of goods that are subject to an existing lease contract and are covered by a certificate of title issued under a statute of this state or of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title statute.

Sec. 5. Minnesota Statutes 1990, section 336.2A-307, is amended to read:

#### 336.2A-307 [PRIORITY OF LIENS ARISING BY ATTACHMENT OR LEVY ON, SECURITY INTERESTS IN, AND OTHER CLAIMS TO GOODS.]

(1) Except as otherwise provided in section 336.2A-306, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsections (3) and (4) and in sections 336.2A-306 and 336.2A-308, a creditor of a lessor takes subject to the lease contract *unless*:

- (a) ~~unless~~ the creditor holds a lien that attached to the goods before the

lease contract became enforceable, or;

(b) ~~unless the creditor holds a security interest in the goods that under the article on secured transactions (article 9) would have priority over any other security interest in the goods perfected by a filing covering the goods and made at the time the lease contract became enforceable, whether or not any other security interest existed- and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or~~

(c) ~~the creditor holds a security interest in the goods which was perfected (section 336.9-303) before the lease contract became enforceable.~~

(3) A lessee in the ordinary course of business takes the leasehold interest free of a security interest in the goods created by the lessor even though the security interest is perfected (section 336.9-303) and the lessee knows of its existence.

(4) A lessee other than a lessee in the ordinary course of business takes the leasehold interest free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the lease or more than 45 days after the lease contract becomes enforceable, whichever first occurs, unless the future advances are made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the 45-day period.

Sec. 6. Minnesota Statutes 1990, section 336.2A-309, is amended to read:

**336.2A-309 [LESSOR'S AND LESSEE'S RIGHTS WHEN GOODS BECOME FIXTURES.]**

(1) In this section:

(a) goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law;

(b) a "fixture filing" is the filing, in the office where a mortgage on the real estate would be ~~filed or recorded or registered~~, of a financing statement ~~concerning covering~~ goods that are or are to become fixtures and conforming to the requirements of ~~subsection (5) of section 336.9-402~~ 336.9-402(5);

(c) a lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) a mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this article of ordinary building materials incorporated into an improvement on land.

(3) This article does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) the lease is a purchase money lease, the conflicting interest of the

encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within ten days after that, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) the interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) the fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) the encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) the lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding ~~paragraph (a) of subsection (4) (4)(a)~~ but otherwise subject to subsections (4) and (5), the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases not within the preceding subsections, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may: ~~(a)~~ (i) on default, expiration, termination, or cancellation of the lease agreement by the other party but subject to the provisions of the lease agreement and this article, or ~~(b)~~ (ii) if necessary to enforce the lessor's or lessee's other rights and remedies under this article; remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by

any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, *including the lessor's residual interest*, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Article on Secured Transactions (article 9).

Sec. 7. [336.2A-311] [PRIORITY SUBJECT TO SUBORDINATION.]

*Nothing in this article prevents subordination by agreement by any person entitled to priority.*

Sec. 8. Minnesota Statutes 1990, section 336.2A-407, is amended to read:

336.2A-407 [IRREVOCABLE PROMISES: FINANCE LEASES.]

(1) In the case of a finance lease, the lessee's promises under the lease contract become irrevocable and independent upon the lessee's acceptance of the goods.

(2) A promise that has become irrevocable and independent under subsection (1):

(a) is effective and enforceable between the parties, and by or against third parties including assignees of the parties; and

(b) is not subject to cancellation, termination, modification, repudiation, excuse, or substitution without the consent of the party to whom the promise runs.

*(3) This section does not affect the validity under any other law of a covenant in any lease contract making the lessee's promises irrevocable and independent upon the lessee's acceptance of the goods.*

Sec. 9. Minnesota Statutes 1990, section 336.2A-501, is amended to read:

336.2A-501 [DEFAULT: PROCEDURE.]

(1) Whether the lessor or the lessee is in default under a lease contract is determined by the lease agreement and this article.

(2) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement has rights and remedies as provided in this article and, except as limited by this article, as provided in the lease agreement.

(3) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement may reduce the party's claim to judgment, or otherwise enforce the lease contract by self-help or any available judicial procedure or nonjudicial procedure, including administrative proceeding, arbitration, or the like, in accordance with this article.

(4) Except as otherwise provided in *section 336.1-106(1)* or this article or the lease agreement, the rights and remedies referred to in subsections (2) and (3) are cumulative.

(5) If the lease agreement covers both real property and goods, the party seeking enforcement may proceed under this part as to the goods, or under other applicable law as to both the real property and the goods in accordance

with ~~the~~ *that* party's rights and remedies in respect of the real property, in which case this part does not apply.

Sec. 10. Minnesota Statutes 1990, section 336.2A-503, is amended to read:

**336.2A-503 [MODIFICATION OR IMPAIRMENT OF RIGHTS AND REMEDIES.]**

(1) Except as otherwise provided in this article, the lease agreement may include rights and remedies for default in addition to or in substitution for those provided in this article and may limit or alter the measure of damages recoverable under this article.

(2) Resort to a remedy provided under this article or in the lease agreement is optional unless the remedy is expressly agreed to be exclusive. If circumstances cause an exclusive or limited remedy to fail of its essential purpose, or provision for an exclusive remedy is unconscionable, remedy may be had as provided in this article.

(3) Consequential damages may be liquidated under section 336.2A-504, or may otherwise be limited, altered, or excluded unless the limitation, alteration, or exclusion is unconscionable. Limitation, *alteration, or exclusion* of consequential damages for injury to the person in the case of consumer goods is *prima facie* unconscionable but limitation, *alteration, or exclusion* of damages where the loss is commercial is not *prima facie* unconscionable.

(4) Rights and remedies on default by the lessor or the lessee with respect to any obligation or promise collateral or ancillary to the lease contract are not impaired by this article.

Sec. 11. Minnesota Statutes 1990, section 336.2A-507, is amended to read:

**336.2A-507 [PROOF OF MARKET RENT: TIME AND PLACE.]**

(1) Damages based on market rent (section 336.2A-519 or 336.2A-528) are determined according to the rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the ~~time of the default~~ *times specified in sections 336.2A-519 and 336.2A-528.*

(2) If evidence of rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the times or places described in this article is not readily available, the rent prevailing within any reasonable time before or after the time described or at any other place or for a different lease term which in commercial judgment or under usage of trade would serve as a reasonable substitute for the one described may be used, making any proper allowance for the difference, including the cost of transporting the goods to or from the other place.

(3) Evidence of a relevant rent prevailing at a time or place or for a lease term other than the one described in this article offered by one party is not admissible unless and until the party has given the other party notice the court finds sufficient to prevent unfair surprise.

(4) If the prevailing rent or value of any goods regularly leased in any established market is in issue, reports in official publications or trade journals or in newspapers or periodicals of general circulation published as the



reports of that market are admissible in evidence. The circumstances of the preparation of the report may be shown to affect its weight but not its admissibility.

Sec. 12. Minnesota Statutes 1990, section 336.2A-508, is amended to read:

336.2A-508 [LESSEE'S REMEDIES.]

(1) If a lessor fails to deliver the goods in conformity to the lease contract (section 336.2A-509) or repudiates the lease contract (section 336.2A-402), or a lessee rightfully rejects the goods (section 336.2A-509) or justifiably revokes acceptance of the goods (section 336.2A-517), then with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 336.2A-510), the lessor is in default under the lease contract and the lessee may pursue any or all of the following remedies:

(a) cancel the lease contract (section 336.2A-505(1));

(b) recover so much of the rent and security as has been paid, ~~but in the case of an installment lease contract the recovery is that which~~ and is just under the circumstances;

(c) cover and recover damages as to all goods affected whether or not they have been identified to the lease contract (sections 336.2A-518 and 336.2A-520), or recover damages for nondelivery (sections 336.2A-519 and 336.2A-520);

*(d) exercise any other rights or pursue any other remedies provided in the lease contract.*

(2) If a lessor fails to deliver the goods in conformity to the lease contract or repudiates the lease contract, the lessee may also:

(a) if the goods have been identified, recover them (section 336.2A-522);  
or

(b) in a proper case, obtain specific performance or replevy the goods (section 336.2A-521).

(3) If a lessor is otherwise in default under a lease contract, the lessee may exercise the rights and *pursue the* remedies provided in the lease contract, *which may include a right to cancel the lease, and this article in section 336.2A-519(3).*

(4) If a lessor has breached a warranty, whether express or implied, the lessee may recover damages (section 336.2A-519(4)).

(5) On rightful rejection or justifiable revocation of acceptance, a lessee has a security interest in goods in the lessee's possession or control for any rent and security that has been paid and any expenses reasonably incurred in their inspection, receipt, transportation, and care and custody and may hold those goods and dispose of them in good faith and in a commercially reasonable manner, subject to ~~the provisions of~~ section 336.2A-527(5).

(6) Subject to the provisions of section 336.2A-407, a lessee, on notifying the lessor of the lessee's intention to do so, may deduct all or any part of the damages resulting from any default under the lease contract from any part of the rent still due under the same lease contract.

Sec. 13. Minnesota Statutes 1990, section 336.2A-516, is amended to

read:

336.2A-516 [EFFECT OF ACCEPTANCE OF GOODS; NOTICE OF DEFAULT; BURDEN OF ESTABLISHING DEFAULT AFTER ACCEPTANCE; NOTICE OF CLAIM OR LITIGATION TO PERSON ANSWERABLE OVER.]

(1) A lessee must pay rent for any goods accepted in accordance with the lease contract, with due allowance for goods rightfully rejected or not delivered.

(2) A lessee's acceptance of goods precludes rejection of the goods accepted. In the case of a finance lease, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it. In any other case, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it unless the acceptance was on the reasonable assumption that the nonconformity would be seasonably cured. Acceptance does not of itself impair any other remedy provided by this article or the lease agreement for nonconformity.

(3) If a tender has been accepted:

(a) within a reasonable time after the lessee discovers or should have discovered any default, the lessee shall notify the lessor and the supplier, if any, or be barred from any remedy *against the party not notified*;

(b) except in the case of a consumer lease, within a reasonable time after the lessee receives notice of litigation for infringement or the like (section 336.2A-211) the lessee shall notify the lessor or be barred from any remedy over for liability established by the litigation; and

(c) the burden is on the lessee to establish any default.

(4) If a lessee is sued for breach of a warranty or other obligation for which a lessor or a supplier is answerable over *the following apply*:

(a) The lessee may give the lessor or the supplier, *or both*, written notice of the litigation. If the notice states that the ~~lessor or the supplier~~ *person notified* may come in and defend and that if the ~~lessor or the supplier~~ *person notified* does not do so ~~the lessor or supplier~~ *that person* will be bound in any action against ~~the lessor or supplier~~ *that person* by the lessee by any determination of fact common to the two litigations, then unless the ~~lessor or the supplier~~ *person notified* after seasonable receipt of the notice does come in and defend ~~the lessor or supplier~~ *that person* is so bound.

(b) The lessor or the supplier may demand in writing that the lessee turn over control of the litigation including settlement if the claim is one for infringement or the like (section 336.2A-211) or else be barred from any remedy over. If the demand states that the lessor or the supplier agrees to bear all expense and to satisfy any adverse judgment, then unless the lessee after seasonable receipt of the demand does turn over control the lessee is so barred.

(5) ~~The provisions of Subsections (3) and (4) apply to any obligation of a lessee to hold the lessor or the supplier harmless against infringement or the like (section 336.2A-211).~~

Sec. 14. Minnesota Statutes 1990, section 336.2A-517, is amended to read:

336.2A-517 [REVOCAION OF ACCEPTANCE OF GOODS.]

(1) A lessee may revoke acceptance of a lot or commercial unit whose nonconformity substantially impairs its value to the lessee if the lessee has accepted it:

(a) except in the case of a finance lease, on the reasonable assumption that its nonconformity would be cured and it has not been seasonably cured; or

(b) without discovery of the nonconformity if the lessee's acceptance was reasonably induced either by the lessor's assurances or, except in the case of a finance lease, by the difficulty of discovery before acceptance.

(2) *Except in the case of a finance lease, a lessee may revoke acceptance of a lot or commercial unit if the lessor defaults under the lease contract and the default substantially impairs the value of that lot or commercial unit to the lessee.*

(3) *If the lease agreement so provides, the lessee may revoke acceptance of a lot or commercial unit because of other defaults by the lessor.*

(4) Revocation of acceptance must occur within a reasonable time after the lessee discovers or should have discovered the ground for it and before any substantial change in condition of the goods which is not caused by the nonconformity. Revocation is not effective until the lessee notifies the lessor.

~~(3)~~ (5) A lessee who so revokes has the same rights and duties with regard to the goods involved as if the lessee had rejected them.

Sec. 15. Minnesota Statutes 1990, section 336.2A-518, is amended to read:

336.2A-518 [COVER; SUBSTITUTE GOODS.]

(1) After a default by a lessor under the lease contract ~~of the type described in section 336.2A-508(1)~~, or, if agreed, after other default by the lessor, the lessee may cover by making any purchase or lease of or contract to purchase or lease goods in substitution for those due from the lessor.

(2) Except as otherwise provided with respect to damages liquidated in the lease agreement (section 336.2A-504) or otherwise determined by pursuant to agreement of the parties (~~section sections~~ 336.1-102(3) and 336.2A-503), if a lessee's cover is by a lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessee may recover from the lessor as damages ~~(a)~~ (i) the present value, as of the date of default the commencement of the term of the new lease agreement, of the difference between the total rent for the lease term of under the new lease agreement and applicable to that period of the new lease term which is comparable to the then remaining term of the original lease agreement minus the present value as of the same date of the total rent for the then remaining lease term of the original lease agreement, and ~~(b)~~ (ii) any incidental or consequential damages, less expenses saved in consequence of the lessor's default.

(3) If a lessee's cover is by lease agreement that for any reason does not qualify for treatment under subsection (2), or is by purchase or otherwise, the lessee may recover from the lessor as if the lessee had elected not to cover and section 336.2A-519 governs.

Sec. 16. Minnesota Statutes 1990, section 336.2A-519, is amended to

read:

**336.2A-519 [LESSEE'S DAMAGES FOR NONDELIVERY, REPUDIATION, DEFAULT, AND BREACH OF WARRANTY IN REGARD TO ACCEPTED GOODS.]**

(1) Except as otherwise provided with respect to damages liquidated in the lease agreement (section 336.2A-504) or otherwise determined by pursuant to agreement of the parties (section sections 336.1-102(3) and 336.2A-503), if a lessee elects not to cover or a lessee elects to cover and the cover is by lease agreement that for any reason does not qualify for treatment under section 336.2A-518(2), or is by purchase or otherwise, the measure of damages for nondelivery or repudiation by the lessor or for rejection or revocation of acceptance by the lessee is the present value, as of the date of the default, of the difference between the then market rent and minus the present value as of the same date of the original rent, computed for the remaining lease term of the original lease agreement, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(2) Market rent is to be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

(3) Except as otherwise agreed, if the lessee has accepted goods and given notification (section 336.2A-516(3)), the measure of damages for nonconforming tender or delivery or other default by a lessor is the loss resulting in the ordinary course of events from the lessor's default as determined in any manner that is reasonable together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(4) Except as otherwise agreed, the measure of damages for breach of warranty is the present value at the time and place of acceptance of the difference between the value of the use of the goods accepted and the value if they had been as warranted for the lease term, unless special circumstances show proximate damages of a different amount, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default or breach of warranty.

Sec. 17. Minnesota Statutes 1990, section 336.2A-523, is amended to read:

**336.2A-523 [LESSOR'S REMEDIES.]**

(1) If a lessee wrongfully rejects or revokes acceptance of goods or fails to make a payment when due or repudiates with respect to a part or the whole, then, with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 336.2A-510), the lessee is in default under the lease contract and the lessor may pursue any or all of the following remedies:

(a) cancel the lease contract (section 336.2A-505(1));

(b) proceed respecting goods not identified to the lease contract (section 336.2A-524);

(c) withhold delivery of the goods and take possession of goods previously delivered (section 336.2A-525);

(d) stop delivery of the goods by any bailee (section 336.2A-526);

(e) dispose of the goods and recover damages (section 336.2A-527), or retain the goods and recover damages (section 336.2A-528), or in a proper case recover rent (section 336.2A-529);

(f) *exercise any other rights or pursue any other remedies provided in the lease contract.*

*(2) If a lessor does not fully exercise a right or obtain a remedy to which the lessor is entitled under subsection (1), the lessor may recover the loss resulting in the ordinary course of events from the lessee's default as determined in any reasonable manner, together with incidental damages, less expenses saved in consequence of the lessee's default.*

(3) If a lessee is otherwise in default under a lease contract, the lessor may exercise the rights and *pursue the remedies provided in the lease agreement and this article*, which may include a right to cancel the lease. *In addition, unless otherwise provided in the lease contract:*

*(a) if the default substantially impairs the value of the lease contract to the lessor, the lessor may exercise the rights and pursue the remedies provided in subsection (1) or (2); or*

*(b) if the default does not substantially impair the value of the lease contract to the lessor, the lessor may recover as provided in subsection (2).*

Sec. 18. Minnesota Statutes 1990, section 336.2A-525, is amended to read:

#### 336.2A-525 [LESSOR'S RIGHT TO POSSESSION OF GOODS.]

(1) If a lessor discovers the lessee to be insolvent, the lessor may refuse to deliver the goods.

(2) ~~The lessor has on~~ *After a default by the lessee under the lease contract of the type described in section 336.2A-523(1) or 336.2A-523(3)(a) or, if agreed, after other default by the lessee, the lessor has the right to take possession of the goods. If the lease contract so provides, the lessor may require the lessee to assemble the goods and make them available to the lessor at a place to be designated by the lessor which is reasonably convenient to both parties. Without removal, the lessor may render unusable any goods employed in trade or business, and may dispose of goods on the lessee's premises (section 336.2A-527).*

(3) The lessor may proceed under subsection (2) without judicial process ~~if that~~ *it can be done without breach of the peace or the lessor may proceed by action.*

Sec. 19. Minnesota Statutes 1990, section 336.2A-527, is amended to read:

#### 336.2A-527 [LESSOR'S RIGHTS TO DISPOSE OF GOODS.]

(1) After a default by a lessee under the lease contract ~~(of the type described in section 336.2A-523(1)) or 336.2A-523(3)(a)~~ *or after the lessor refuses to deliver or takes possession of goods (section 336.2A-525 or 336.2A-526), or, if agreed, after other default by a lessee, the lessor may dispose of the goods concerned or the undelivered balance by lease, sale, or otherwise.*

(2) Except as otherwise provided with respect to damages liquidated in

the lease agreement (section 336.2A-504) or otherwise determined by pursuant to agreement of the parties (~~section sections 336.1-102(3) and 336.2A-503~~), if the disposition is by lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessor may recover from the lessee as damages ~~(a)~~ (i) accrued and unpaid rent as of the date of the start of the term of the new lease agreement, ~~(b)~~ (ii) the present value, as of the same date of the start of the term of the new lease agreement, of the difference between the total rent for the then remaining lease term of the original lease agreement and the total rent for the lease term minus the present value, as of the same date, of the rent under the new lease agreement applicable to that period of the new lease term that is comparable to the then remaining term of the original lease agreement, and ~~(c)~~ (iii) any incidental damages allowed under section 336.2A-530, less expenses saved in consequence of the lessee's default.

(3) If the lessor's disposition is by lease agreement that for any reason does not qualify for treatment under subsection (2), or is by sale or otherwise, the lessor may recover from the lessee as if the lessor had elected not to dispose of the goods and section 336.2A-528 governs.

(4) A subsequent buyer or lessee who buys or leases from the lessor in good faith for value as a result of a disposition under this section takes the goods free of the original lease contract and any rights of the original lessee even though the lessor fails to comply with one or more of the requirements of this article.

(5) The lessor is not accountable to the lessee for any profit made on any disposition. A lessee who has rightfully rejected or justifiably revoked acceptance shall account to the lessor for any excess over the amount of the lessee's security interest (section 336.2A-508(5)).

Sec. 20. Minnesota Statutes 1990, section 336.2A-528, is amended to read:

**336.2A-528 [LESSOR'S DAMAGES FOR NONACCEPTANCE OR, FAILURE TO PAY, REPUDIATION, OR OTHER DEFAULT.]**

(1) Except as otherwise provided with respect to damages liquidated in the lease agreement (section 336.2A-504) or otherwise determined by pursuant to agreement of the parties (~~section sections 336.1-102(3) and 336.2A-503~~), if a lessor elects to retain the goods or a lessor elects to dispose of the goods and the disposition is by lease agreement that for any reason does not qualify for treatment under section 336.2A-527(2), or is by sale or otherwise, the lessor may recover from the lessee as damages for nonacceptance or repudiation by a default of the type described in section 336.2A-523(1) or 336.2A-523(3)(a), or, if agreed, for other default of the lessee ~~(a)~~, (i) accrued and unpaid rent as of the date the lessor obtained possession of the goods or an earlier date when the lessee made an effective tender of possession of the goods back to the lessor of default if the lessee has never taken possession of the goods, or, if the lessee has taken possession of the goods, as of the date the lessor repossesses the goods or an earlier date on which the lessee makes a tender of the goods to the lessor, ~~(b)~~ (ii) the present value as of the date determined under paragraph ~~(a)~~ clause (i) of the difference between the total rent for the then remaining lease term of the original lease agreement and minus the present value as of the same date of the market rent at the time determined under paragraph ~~(a)~~, and place for tender where the goods are located computed for the same lease term,

and ~~(e)~~ (iii) any incidental damages allowed under section 336.2A-530, less expenses saved in consequence of the lessee's default.

(2) If the measure of damages provided in subsection (1) is inadequate to put a lessor in as good a position as performance would have, the measure of damages is the *present value of the profit*, including reasonable overhead, the lessor would have made from full performance by the lessee, together with any incidental damages allowed under section 336.2A-530, due allowance for costs reasonably incurred and due credit for payments or proceeds of disposition.

Sec. 21. Minnesota Statutes 1990, section 336.2A-529, is amended to read:

336.2A-529 [LESSOR'S ACTION FOR THE RENT.]

(1) After default by the lessee under the lease contract ~~(of the type described in section 336.2A-523(1)) or 336.2A-523(3)(a) or, if agreed, after other default by the lessee~~, if the lessor complies with subsection (2), the lessor may recover from the lessee as damages:

(a) for goods accepted by the lessee and *not repossessed by or tendered to the lessor*, and for conforming goods lost or damaged within a commercially reasonable time after risk of loss passes to the lessee (section 336.2A-219), (i) accrued and unpaid rent as of the date of entry of judgment in favor of the lessor, (ii) the present value as of the *same date of entry of judgment in favor of the lessor* of the rent for the then remaining lease term of the lease agreement, and (iii) any incidental damages allowed under section 336.2A-530, less expenses saved in consequence of the lessee's default; and

(b) for goods identified to the lease contract if the lessor is unable after reasonable effort to dispose of them at a reasonable price or the circumstances reasonably indicate that effort will be unavailing, (i) accrued and unpaid rent as of the date of entry of judgment in favor of the lessor, (ii) the present value as of the *same date of entry of judgment in favor of the lessor* of the rent for the then remaining lease term of the lease agreement, and (iii) any incidental damages allowed under section 336.2A-530, less expenses saved in consequence of the lessee's default.

(2) Except as provided in subsection (3), the lessor shall hold for the lessee for the remaining lease term of the lease agreement any goods that have been identified to the lease contract and are in the lessor's control.

(3) The lessor may dispose of the goods at any time before collection of the judgment for damages obtained pursuant to subsection (1). If the disposition is before the end of the remaining lease term of the lease agreement, the lessor's recovery against the lessee for damages ~~will be~~ is governed by section 336.2A-527 or 336.2A-528, *and the lessor will cause an appropriate credit to be provided against a judgment for damages to the extent that the amount of the judgment exceeds the recovery available pursuant to section 336.2A-527 or 336.2A-528.*

(4) Payment of the judgment for damages obtained pursuant to subsection (1) entitles the lessee to use and possession of the goods not then disposed of for the remaining lease term of *and in accordance with* the lease agreement.

(5) After a lessee has wrongfully rejected or revoked acceptance of goods, has failed to pay rent then due, or has repudiated (section 336.2A-402), a

lessor who is held not entitled to rent under this section must nevertheless be awarded damages for nonacceptance under sections 336.2A-527 and 336.2A-528.

*In addition to any other recovery permitted by this article or other law, the lessor may recover from the lessee an amount that will fully compensate the lessor for any loss of or damage to the lessor's residual interest in the goods caused by the default of the lessee.*

## ARTICLE 2

### UNIFORM COMMERCIAL CODE

#### ARTICLE 6 - BULK SALES

Section 1. Minnesota Statutes 1990, section 336.1-105, is amended to read:

**336.1-105 [TERRITORIAL APPLICATION OF THE CHAPTER; PARTIES' POWER TO CHOOSE APPLICABLE LAW.]**

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to another state or nation the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement this chapter applies to transactions bearing an appropriate relation to this state.

(2) Where one of the following provisions of this chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. Section 336.2-402.

Applicability of the article on leases. Sections 336.2A-105 and 336.2A-106.

Applicability of the article on bank deposits and collections. Section 336.4-102.

Governing law in the article on funds transfers. Section 336.4A-507.

~~Bulk transfers subject to the article on bulk transfers. Section 336.6-102.~~

Applicability of the article on investment securities. Section 336.8-106.

Perfection provisions of the article on secured transactions. Section 336.9-103.

Sec. 2. Minnesota Statutes 1990, section 336.2-403, is amended to read:

**336.2-403 [POWER TO TRANSFER; GOOD FAITH PURCHASE OF GOODS; "ENTRUSTING".]**

(1) A purchaser of goods acquires all title which the purchaser's transferor had or had power to transfer except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase the purchaser has such power even though

(a) the transferor was deceived as to the identity of the purchaser, or

(b) the delivery was in exchange for a check which is later dishonored,  
or



(c) it was agreed that the transaction was to be a "cash sale," or

(d) the delivery was procured through fraud punishable as larcenous under the criminal law.

(2) Any entrusting of possession of goods to a merchant who deals in goods of that kind gives the merchant power to transfer all rights of the entruster to a buyer in ordinary course of business.

(3) "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be larcenous under the criminal law.

(4) The rights of other purchasers of goods and of lien creditors are governed by the articles on secured transactions (article 9); ~~bulk transfers (article 6)~~ and documents of title (article 7).

### Sec. 3. [SAVINGS CLAUSE.]

*Rights and obligations that arose under sections 336.6-101 to 336.6-111 and 336.9-111 before their repeal remain valid and may be enforced as though they had not been repealed.*

### Sec. 4. [REPEALER.]

*Minnesota Statutes 1990, sections 336.6-101; 336.6-102; 336.6-103; 336.6-104; 336.6-105; 336.6-106; 336.6-107; 336.6-108; 336.6-109; 336.6-110; 336.6-111; and 336.9-111, are repealed."*

Delete the title and insert:

"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-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."

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. 755: A bill for an act relating to the justice system; making various technical corrections and changes to the public defender law; limiting entitlement to appellate representation by the state public defender; providing for free documents and other items for public defenders; 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; providing for a county aid offset for public defense costs in the

third and sixth judicial districts; providing for a county aid offset if certain court costs are assumed by the state; making the eighth judicial district court financing pilot project permanent; 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 subdivisions; 481.10; 590.05; 611.14; 611.18; 611.20; 611.215, subdivision 2; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 2; 611.271; and Laws 1989, chapter 335, article 3, section 44, as amended; repealing Minnesota Statutes 1990, sections 611.215, subdivision 4; 611.261; and Laws 1989, chapter 335, article 3, section 54, as amended.

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

Page 12, after line 8, insert:

"Section 1. Minnesota Statutes 1990, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1990 payable in 1991 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of

revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

~~(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;~~

~~(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14;~~

~~(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government;~~

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs.

If the amount levied under this paragraph ~~(s)~~ (s) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

~~(t)~~ (t) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3);

~~(u)~~ (u) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county is operating under a department of corrections directive that limits the capacity of a county jail as authorized in section 641.01 or 641.262, or a correctional facility as defined in section 241.021, subdivision 1, paragraph (5);

~~(v)~~ (v) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

~~(w)~~ (w) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1989 and 1990 for the purpose of grasshopper control; and, for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control;

~~(x)~~ (x) for a county, provide an amount needed to fund comprehensive local water implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

A county may levy an amount not to exceed the water implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water implementation local tax rate shall be set by August 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales

ratio study. That rate shall be the rate, rounded up to the nearest one-thousandth of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount specified in this clause. The water implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,500,000 and the rate for taxes levied in 1991 shall be the rate that raises \$1,500,000. A county must levy a tax at the rate established under this clause to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5;

~~(aa)~~ (y) pay the unreimbursed county costs for court-ordered family-based services and court-ordered out-of-home placement for children to the extent that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) or (u) must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; **and**

~~(bb)~~ (z) pay the amounts allowed as special levies under Laws 1989, First Special Session chapter 1, article 5, section 50, and subdivisions 5a and 5b; **and**

*(aa) for taxes levied in 1991, payable in 1992 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids payable in 1992 to a county located in the third or sixth judicial district for public defense services in juvenile and misdemeanor cases under section 477A.012, subdivision 6.*

Sec. 2. Minnesota Statutes 1990, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and

native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(d) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.

(e) For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the costs of law clerks in the county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) For taxes levied in 1989 by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each

county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) (f) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the adjustment under section 275.51, subdivision 3j, or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.

(g) For taxes levied in 1991 in a county that is located in the third or sixth judicial districts, the levy limit base shall be reduced by an amount equal to the cost of public defense services in juvenile and misdemeanor cases in the county as certified by the board of public defense under section 477A.012, subdivision 6."

Page 13, after line 19, insert:

"Sec. 5. Minnesota Statutes 1990, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between July 1, ~~1990~~ 1991, and July 1, ~~1994~~ 1993. This subdivision only relates to costs associated with felony and gross misdemeanor public defense services and all public defense services in the second, *third*, fourth, *sixth*, and eighth judicial districts."

Page 14, line 12, delete "1" and insert "3"

Page 14, line 13, delete "2" and insert "4"

Page 14, line 16, after the period, insert "*Section 5 is effective July 1, 1991.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the semicolon, insert "financing public defender offices;"

Page 1, line 20, after "sections" insert "275.50, subdivision 5; 275.51, subdivision 3f;"

Page 1, line 24, delete "and 2" and insert ", 2, and 4"

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

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

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 and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

Reports the 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 541.073, is amended to read:

541.073 [ACTIONS FOR DAMAGES DUE TO SEXUAL ABUSE; SPECIAL PROVISIONS.]

*Subdivision 1. [DEFINITION.] As used in this section, "sexual abuse" means conduct described in sections 609.342 to 609.345.*

*Subd. 2. [LIMITATIONS PERIOD.] (a) An action for damages based on personal injury caused by sexual abuse must be commenced; ~~in the case of an intentional tort, within two years, or, in the case of an action for negligence,~~ within six years of the time the plaintiff knew or had reason to know that the injury was caused by the sexual abuse.*

*(b) The plaintiff need not establish which act in a continuous series of sexual abuse acts by the defendant caused the injury.*

*(c) The knowledge of a parent or guardian may not be imputed to a minor.*

*(d) This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.*

~~As used in this section, "sexual abuse" means conduct described in sections 609.342 to 609.345.~~

*Subd. 3. [APPLICABILITY.] This section applies to an action for damages commenced against a person who caused the plaintiff's personal injury either by (1) committing sexual abuse against the plaintiff, or (2) negligently permitting sexual abuse against the plaintiff to occur.*

Sec. 2. Minnesota Statutes 1990, section 609.3461, is amended to read:  
609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

*Subdivision 1. [UPON SENTENCING.] When a court sentences a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentences a person as a patterned sex offender under section 609.1352, or the juvenile court adjudicates a person a delinquent child for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155.*

*Subd. 2. [BEFORE RELEASE.] If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of*

DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1990, section 628.26, is amended to read:  
628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, ~~shall be found or made and filed in the proper court within seven years after the commission of the offense or, if the victim failed to report the offense within this limitation period, within two years after the offense was reported to law enforcement authorities, but in no event may an indictment or complaint be found or made after the victim attains the age of 25 years~~ may be found or made at any time after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(c) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (a) and (b), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(f) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(g) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 4. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment, and applies to actions pending on or commenced on or after that date. Section 3 is effective August 1, 1991, and applies to crimes committed on or after that date, and to crimes committed before that date if the limitations period for the crime under Minnesota Statutes 1990 did not expire before August 1, 1991.*

Sec. 5. [APPLICABILITY.]

*Notwithstanding any other provision of law, a plaintiff whose claim would otherwise be time-barred under Minnesota Statutes 1990 has until August 1, 1992, to commence a cause of action for damages based on personal injury caused by sexual abuse."*

Delete the title and insert:

"A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving sexual abuse; eliminating the statute of limitations in criminal sexual conduct cases involving a minor victim; amending Minnesota Statutes 1990, sections 541.073; 609.3461; and 628.26."

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

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

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.

Reports the 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 609.748, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF PETITION.] A petition for relief must allege facts sufficient to show the following:

- (1) the name of the alleged harassment victim;
- (2) the name of the respondent; and
- (3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section *and shall advise the petitioner of the right to sue in forma pauperis under section 563.01.*

Sec. 2. Minnesota Statutes 1990, section 609.748, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within ~~seven~~ 14 days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is

extended by the court for one additional ~~seven-day~~ 14-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the exercise of due diligence.

Sec. 3. Minnesota Statutes 1990, section 611A.02, subdivision 2, is amended to read:

Subd. 2. [VICTIMS' RIGHTS.] (a) The commissioner of public safety, in consultation with the crime victim and witness advisory council, must develop a notice of the rights of crime victims. The notice must include a form for the preparation of a preliminary written victim impact summary. A preliminary victim impact summary is a concise statement of the immediate and expected damage to the victim as a result of the crime. A victim desiring to file a preliminary victim impact summary must file the summary with the investigating officer no more than five days after the victim receives the notice from a peace officer. If a preliminary victim impact statement is filed with the investigating officer, it must be sent to the prosecutor with other investigative materials. If a prosecutor has received a preliminary victim impact summary, the prosecutor must present the summary to the court. This subdivision does not relieve a probation officer of the notice requirements imposed by section 609.115, subdivision 1c.

(b) The notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, when the peace officer takes a formal statement from the victim. A peace officer is not obligated to distribute the notice if a victim does not make a formal statement. The notice must inform a victim of:

- (1) the victim's right to request restitution under section 611A.04;
- (2) the victim's right to be notified of any plea negotiations under section 611A.03; ~~and~~
- (3) the victim's right to be present at sentencing, and to object orally or in writing to a proposed agreement or disposition; *and*
- (4) *the victim's right to be notified of the final disposition of the case.*

Sec. 4. [611A.039] [RIGHT TO NOTICE OF FINAL DISPOSITION OF CRIMINAL CASE.]

*Subdivision 1. [NOTICE REQUIRED.] Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case.*

*Subd. 2. [EXCEPTION.] If a prosecutor contacts an identifiable crime victim in advance of the final case disposition, either orally or in writing, and notifies the victim of the victim's right to request information on the final disposition of the case, the prosecutor shall only be required to provide the notice described in subdivision 1 to those victims who have indicated in advance their desire to be notified of the final case disposition.*

Sec. 5. Minnesota Statutes 1990, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

*Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort*

to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; or released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice.

*Subd. 2. [CONTENTS OF NOTICE.]* The notice given to a victim of a crime against a person must include the conditions governing the offender's release, and either the identity of the corrections agent who will be supervising the offender's release or a means to identify the court services agency that will be supervising the offender's release. The commissioner or other custodial authority complies with this section upon mailing the notice of impending release to the victim at the address which the victim has most recently provided to the commissioner or authority in writing.

*Subd. 3. [NOTICE OF ESCAPE.]* If an offender escapes from imprisonment or incarceration, including from release on extended furlough or work release, or from any facility described in subdivision 1, the commissioner or other custodial authority shall make all reasonable efforts to notify a victim who has requested notice of the offender's release under subdivision 1 within six hours after discovering the escape and shall also make reasonable efforts to notify the victim within 24 hours after the offender is apprehended.

*Subd. 4. [PRIVATE DATA.]* All identifying information regarding the victim, including the victim's request and the notice provided by the commissioner or custodial authority, is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.

*Subd. 5. [DEFINITION.]* As used in this section, "crime against the person" means a crime listed in section 611A.031.

Sec. 6. Minnesota Statutes 1990, section 611A.71, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) The crime victim and witness advisory council shall consist of the following members, appointed by the commissioner of public safety after consulting with the commissioner of corrections:

(1) two members of the Minnesota legislature who have demonstrated expertise and interest in crime victims issues; one from each house;

(2) one district court judge appointed upon recommendation of the chief justice of the supreme court;

(3) (2) one county attorney appointed upon recommendation of the Minnesota county attorneys association;

(4) (3) one public defender appointed upon recommendation of the state public defender;

(5) (4) one peace officer;

(6) (5) one medical or osteopathic physician licensed to practice in this state;

(7) (6) five members who are crime victims or crime victim assistance

representatives; and

(8) (7) three public members.

The appointments should take into account sex, race, and geographic distribution. One of the nonlegislative members must be designated by the commissioner of public safety as chair of the council.

*(b) Two members of the council shall be members of the legislature who have demonstrated expertise and interest in crime victims issues, one senator appointed under rules of the senate and one member of the house of representatives appointed under rules of the house of representatives.*

Sec. 7. [EFFECTIVE DATE.]

*Section 6 is effective for appointments occurring after January 1, 1993.*"

Amend the title as follows:

Page 1, line 6, before "amending" insert "modifying appointment of legislative members of the crime victim and witness advisory council;"

Page 1, line 8, delete ", 4, and 6" and insert "and 4" and after the second semicolon, delete "and"

Page 1, line 9, after the semicolon, insert "and 611A.71, subdivision 2;"

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

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

H.F. No. 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.

Reports the 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 171.17, is amended to read:

171.17 [REVOCATION.]

The department shall forthwith revoke the license of any driver upon receiving a record of such driver's conviction of any of the following offenses:

(1) manslaughter ~~or criminal vehicular operation~~ resulting from the operation of a motor vehicle ~~or criminal vehicular homicide or injury under section 609.21;~~

(2) any violation of section 169.121 or 609.487;

(3) any felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under ~~the laws of this state~~ section 169.09, 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 for which the accused may be punished upon conviction by imprisonment;

(7) conviction of an offense in another state which, if committed in this state, would be grounds for the revocation of the driver's license.

When any judge of a juvenile court, or any of its duly authorized agents, determines under a proceeding under chapter 260 that any person under the age of 18 years has committed any offense defined in this section, such judge, or duly authorized agent, shall immediately report this determination to the department, and the commissioner shall immediately revoke the license of that person.

Upon revoking the license of any person, as hereinbefore in 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. 2. 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) (1) Any felony in the commission of which a motor vehicle was used;~~  
or

~~(c) (2) Failure to stop and disclose identity as required under the laws of this state section 169.09, in the event of a motor vehicle accident resulting in the death or personal injury of another.~~

Sec. 3. 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. 4. 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. 5. [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 with, 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 issued under this section if the device registers a positive reading for use of alcohol or the person violates any conditions of the limited license.*



Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 4 and section 5, subdivision 9, 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; establishing a pilot program for the use of ignition interlock devices; imposing a penalty; amending Minnesota Statutes 1990, sections 171.17; and 171.30, subdivisions 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 171."

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. 1475 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.
1475	1425				

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. 1025 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.
1025	900				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1025 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1025 and insert the language after the enacting clause of S.F. No. 900, the first engrossment; further, delete the title of H.F. No. 1025 and insert the title of S.F. No. 900, the first engrossment.

And when so amended H.F. No. 1025 will be identical to S.F. No. 900, and further recommends that H.F. No. 1025 be given its second reading and substituted for S.F. No. 900, 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. 1310 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.
1310	1206				

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. 525 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.
525	1099				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 525 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 525 and insert the language after the enacting clause of S.F. No. 1099, the first engrossment; further, delete the title of H.F. No. 525 and insert the title of S.F. No. 1099, the first engrossment.

And when so amended H.F. No. 525 will be identical to S.F. No. 1099, and further recommends that H.F. No. 525 be given its second reading and substituted for S.F. No. 1099, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1066 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.
1066			1451		

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. 693 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.
693			802		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 693 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 693 and insert the language after the enacting clause of S.F. No. 802, the first engrossment; further, delete the title of H.F. No. 693 and insert the title of S.F. No. 802, the first engrossment.

And when so amended H.F. No. 693 will be identical to S.F. No. 802, and further recommends that H.F. No. 693 be given its second reading and substituted for S.F. No. 802, 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. 1542 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.
1542			1251		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1542 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1542 and insert the language after the enacting clause of S.F. No. 1251, the first engrossment; further, delete the title of H.F. No. 1542 and insert the title of S.F. No. 1251, the first engrossment.

And when so amended H.F. No. 1542 will be identical to S.F. No. 1251, and further recommends that H.F. No. 1542 be given its second reading and substituted for S.F. No. 1251, 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. 1039 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.
1039	798				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1039 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1039 and insert the language after the enacting clause of S.F. No. 798, the first engrossment; further, delete the title of H.F. No. 1039 and insert the title of S.F. No. 798, the first engrossment.

And when so amended H.F. No. 1039 will be identical to S.F. No. 798, and further recommends that H.F. No. 1039 be given its second reading and substituted for S.F. No. 798, 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. 1371 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.
1371	177				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1371 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1371 and insert the language after the enacting clause of S.F. No. 177, the second engrossment; further, delete the title of H.F. No. 1371 and insert the title of S.F. No. 177, the second engrossment.

And when so amended H.F. No. 1371 will be identical to S.F. No. 177, and further recommends that H.F. No. 1371 be given its second reading

and substituted for S.F. No. 177, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1151 for comparison with companion Senate File, reports the following House File was found 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.
1151	1020				

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. 654 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.
654	990				

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. 425 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.
425	490				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 425 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 425 and insert the language after the enacting clause of S.F. No. 490, the first engrossment; further, delete the title of H.F. No. 425 and insert the title of S.F. No. 490, the first engrossment.

And when so amended H.F. No. 425 will be identical to S.F. No. 490, and further recommends that H.F. No. 425 be given its second reading and substituted for S.F. No. 490, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 467: A bill for an act relating to education; providing for revenue for general education, transportation, special programs, community education, facilities, equipment, cooperation, libraries, state education agencies, Faribault academies, center for arts education, and other purposes; establishing a learning readiness program; altering the operations of regional education organizations; providing for teacher rights in certain circumstances; imposing duties on certain state agencies; requiring a report; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.17, subdivisions 7a, 11a, 12, and by adding a subdivision; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.14; 121.165; 121.49, subdivision 1; 121.608; 121.609, subdivisions 1, 2, and 3; 121.612, subdivision 9; 121.88, subdivision 10; 121.882, by adding a subdivision; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, by adding a subdivision; 122.41; 122.531, by adding a subdivision; 122.535, subdivision 6; 122.541, subdivision 7; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivision 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 4, 8, and by adding subdivisions; 123.40, by adding a subdivision; 123.58, by adding subdivisions; 123.706, subdivisions 3 and 6; 123.707, subdivisions 1 and 2; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.223, subdivision 1; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.276, subdivision 4; 124.32, subdivisions 1b and 10; 124.431, subdivision 7, and by adding a subdivision; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, 4, and by adding a subdivision; 124.646, subdivision 1, and by adding a subdivision; 124.6472, subdivision 1; 124.83, subdivisions 3 and 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, and 9; 124A.23,

subdivision 1; 124A.24; 124A.26, subdivision 1; 124B.03, subdivision 2; 124C.03, subdivision 16; 125.09, subdivision 4; 126.113, subdivisions 1 and 2; 126.22, subdivisions 2, 3, 4, and 8; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivisions 1 and 2; 126.70, subdivisions 1 and 2a; 128A.02, subdivision 4; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, and 4a; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 268.08, subdivision 6; 272.02, subdivision 8; 273.1398, subdivision 6; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 364.09; and 631.40; Laws 1989, chapter 329, articles 6, section 53, as amended, and 9, section 35; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 124C; 125; 126; 127; 128B; 129C; 134; 136D; and 181A; repealing Minnesota Statutes, sections 3.865; 3.866; 120.104; 121.11; 121.15, subdivision 10; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.91, subdivision 7; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.701; 123.702; 123.704; 123.706, subdivision 3a; 123.707, subdivision 3; 123.73; 124.17, subdivision 1b; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.331; 124.332; 124.333; 124.48, subdivision 2; 124.493, subdivision 2; 124.575, subdivision 3a; 124A.02, subdivision 19; 124A.04, subdivision 1; 124C.02; 124C.41, subdivision 7; 125.231; 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; 128B.10, subdivisions 2 and 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivisions 2 and 3; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, 8d, and 8e.

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

Page 9, delete line 16 and insert "**percentage of net tax capacity per actual pupil unit, the total amount**"

Page 23, line 10, delete "*of the deficit*" and insert "*authorized in this subdivision*"

Page 23, line 13, delete "*for*"

Page 23, line 14, delete "*the first year*" and delete "*section*" and insert "*subdivision*"

Page 23, line 16, delete "*before*"

Page 23, line 18, delete "*to eliminate the*" and insert "*according to this subdivision*"

Page 23, line 19, delete "*deficit*"

Page 23, line 22, delete everything after the period

Page 23, delete lines 23 and 24 and insert:

“Sec. 25. [BADGER SCHOOL DISTRICT FUND BALANCE.]

*If independent school district No. 676, Badger, receives payment of delinquent property taxes and the payment is more than five percent of the property taxes payable for the year before the payment is received, general education revenue for the district shall not be reduced for the fiscal year in which the payment is received and for the following two fiscal years.”*

Renumber the sections of article 1 in sequence

Page 45, line 35, delete “subdivision 3” and insert “subdivisions 1 and 2”

Page 46, line 6, after “or” insert “special education levy equalization revenue under”

Page 46, line 7, delete “subdivisions 1 and 2” and insert “subdivision 3”

Page 90, after line 2, insert:

“Sec. 9. [BONDS FOR CERTAIN CAPITAL FACILITIES.]

*In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, and No. 734, Henderson, may issue bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicapped accessibility to school buildings, and bringing school buildings into compliance with fire codes.*

*Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.*

*A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board’s action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.*

*The bonds may be issued in a principal amount that, when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year’s revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.”*

Renumber the sections of article 5 in sequence



Page 108, line 35, strike "as a percentage of net tax"

Page 108, line 36, strike "capacity" and insert "*per actual pupil unit*" and after "the" insert "*total*" and strike "by that local tax rate"

Page 109, line 1, strike "local tax"

Page 109, line 2, strike "rate" and insert "*proceeds of the levy*"

Page 109, line 4, before the period, insert "*which may not exceed five years*"

Page 109, line 9, strike "If" and insert "An" and strike ", the" and strike "provided by the approved local"

Page 109, line 10, strike everything before "for" and insert "*per actual pupil unit times the number of actual pupil units in the education district*" and before "year" insert "*fiscal*"

Page 109, line 12, strike ", if applicable,"

Page 109, line 30, after "of" insert "tax"

Page 109, line 34, strike ""In"

Page 109, strike lines 35 and 36

Page 110, strike lines 1 and 2

Page 110, delete line 3 and insert "~~and townships may increase.~~ "Passage of this referendum will"

Page 113, line 3, strike "as provided in"

Page 113, line 4, strike "section" and delete "31" and insert "*before termination*"

Page 117, line 24, strike "as provided in"

Page 117, line 25, strike "section" and delete "37" and insert "*before termination*"

Page 118, line 26, after the second comma, insert "*three, seven,*"

Page 121, line 25, delete "LEVY ADJUSTMENT" and insert "REVENUE ADJUSTMENTS"

Page 121, line 26, before "*The*" insert "(a)"

Page 121, line 31, delete everything before the period and insert "*this article*"

Page 121, after line 33, insert:

*"(b) The department of education shall adjust the 1991 payable 1992 levy for each school district by the amount of the change in a district's secondary vocational cooperative levy for fiscal year 1992 according to Minnesota Statutes, section 124.575, subdivision 3, resulting from the change to secondary vocational cooperative revenue in this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.*

*(c) The department of education shall withhold state aids due to an intermediate school district for fiscal year 1992 equal to the amount the district levied according to Minnesota Statutes, sections 136D.27, subdivision 1; 136D.74, subdivision 2; and 136D.87, subdivision 1, for fiscal*

*year 1992. The department shall pay, according to Minnesota Statutes, section 124.195, to each member district of an intermediate district for fiscal year 1992 five-sixths of the aid withheld according to this paragraph according to the number of pupil units in the member district. Five-elevenths of the aid paid to a district shall be used for special education and six-elevenths shall be used for secondary vocational education. The amount needed to make aid payments to member school districts is appropriated to the department of education."*

Page 123, line 9, delete everything after the first semicolon

Page 123, line 10, delete "3a;"

Page 123, line 13, after "sections" insert "124.2721, subdivision 3a; 124.575, subdivision 3a;"

Page 123, line 22, delete everything after "enactment." and insert "Sections 14, 15, 16, 17, 18, 25, 28, 29, 30, 31, and 32 are effective for revenue for fiscal year 1992 and thereafter."

Page 140, line 32, delete "30" and insert "15"

Page 143, after line 13, insert:

"Sec. 15. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.]

*Subdivision 1. [DEFINITION.] For the purposes of this section, "education and employment transitions" means those processes and structures that provide an individual with awareness of employment opportunities, demonstrate the relationship between education and employment and the applicability of education to employment, identify an individual's employment interests, and assist the individual to make transitions between education and employment.*

*Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] The state council on vocational technical education shall establish a task force on education and employment transitions.*

*Subd. 3. [PLAN.] The task force shall develop a statewide plan for implementing programs for education and employment transitions. The plan shall identify:*

*(1) existing public and private efforts in Minnesota that assist students to make successful transitions between education and employment;*

*(2) programs in other states and countries that are successfully preparing individuals for employment;*

*(3) how to overcome barriers that may prevent public and private collaboration in planning and implementing programs for education and employment transitions;*

*(4) the role of public and private groups in education and employment transitions;*

*(5) new processes and structures to implement statewide programs for education and employment transitions;*

*(6) how to integrate programs for education and employment transitions and outcome-based education initiatives;*

*(7) how to implement programs for education and employment transitions*

in Minnesota; and

(8) models for administrative and legislative action.

Subd. 4. [MEMBERSHIP.] *The task force shall include:*

(1) *the members of the higher education advisory council under Minnesota Statutes, section 136A.02, subdivision 6, or members' designees;*

(2) *the executive director of the higher education coordinating board or the executive director's designee;*

(3) *the commissioner of jobs and training or the commissioner's designee;*

(4) *the commissioner of trade and economic development or the commissioner's designee;*

(5) *the commissioner of human services or the commissioner's designee;*

(6) *the commissioner of labor and industry or the commissioner's designee;*

(7) *up to ten members who represent the interests of education, labor, business, agriculture, trade associations, local service units, private industry councils, and appropriate community groups selected by the state council on vocational technical education;*

(8) *two members from the house of representatives, appointed by the speaker of the house of representatives; and*

(9) *two members from the senate, appointed by the subcommittee on committees of the committee on rules and administration.*

Subd. 5. [PLAN DESIGN.] *The state council on vocational technical education shall select up to nine members appointed to the task force who represent the interests of business, labor, community, and education to serve as a plan design group to develop the plan described in subdivision 3. The task force shall make recommendations to the plan design group on the merits of the plan design.*

Subd. 6. [ASSISTANCE OF AGENCIES.] *Task force members may request information and assistance from any state agency or office to enable the task force to perform its duties.*

Subd. 7. [REPORT AND RECOMMENDATION.] *The task force shall provide an interim report describing its progress to the legislature by February 15, 1992. The task force shall report its plan and recommendations to the legislature by January 15, 1993."*

Page 144, after line 17, insert:

"Sec. 17. [STATE BOARD OF TECHNICAL COLLEGES APPROPRIATION.]

*Subdivision 1. [STATE BOARD OF TECHNICAL COLLEGES.] The sum indicated in this section is appropriated from the general fund to the state board of technical colleges for the state council on vocational technical education for the fiscal year designated.*

*Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] For the task force on education and employment transitions:*

\$40,000 . . . . . 1992

*The appropriation is available until June 30, 1993.*

*The commissioner of education and the chancellor of the technical college system shall provide additional resources, as necessary, through the use of money appropriated to the state under the Carl D. Perkins Act of 1990, title II, part A, section 201."*

Page 148, line 21, after "purchase" delete "or" and insert a comma and after "lease" insert ", or lease purchase"

Page 148, line 22, after "software" insert "and hardware"

Page 149, after line 5, insert:

*"Subd. 19. [GRANT FOR PEACE OFFICER LIAISON SERVICES.] For a school district grant for reimbursement for peace officer liaison school services:*

*\$125,000 . . . . 1992*

*The grant must be used to reimburse the cities that contract with the school district for peace officer liaison services in the district's middle and secondary schools. The contract must be limited to the peace officer's salary and benefits and transportation costs relating to that portion of the year for which the peace officer fulfills the responsibility to the school district. The school district must initially attempt to contract with the police department of each city within the district containing each middle or secondary school. If a local police department does not wish to provide the necessary services, the district may contract for the services with any other police department located entirely or partially within the school district's boundaries. The appropriation is available until June 30, 1993."*

Renumber the sections of article 8 in sequence

Pages 149 and 150, delete section 1 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, the following pupil application procedures apply:*

*(a) 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.*

*(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.*

*(d) If the commissioner of education and the commissioner of human*

*rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.*

*For exceptions under this subdivision, 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."*

Page 181, line 23, delete "or not"

Page 181, after line 36, insert:

*"The commissioner of finance shall make the aid payments required by this subdivision. The commissioner may contract with the department of education for actual payments of school district aids and shall monitor all aspects related to the payments. The amount necessary to make aid payments to school districts is annually appropriated to the commissioner of finance."*

Page 191, line 36, delete ", or are"

Page 192, line 1, delete everything before the semicolon

Page 192, line 20, strike "social or"

Page 192, line 21, strike "recreational activities" and insert a comma and after "children," insert "*including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities,*"

Page 202, delete lines 3 to 6

Page 202, line 8, after "procedures" insert "needed" and delete "the" and insert "a"

Page 202, line 11, delete "*to make the department operational by July 1, 1993*"

Renumber the subdivisions in sequence

Page 204, line 30, after "Sections" insert "I,"

Page 222, line 22, strike "FUND APPROPRIATION" and insert "ACCOUNT"

Page 222, line 24, strike "fund" and insert "*account in the special revenue fund*"

Page 222, line 25, strike "fund" in both places and insert "*account*"

Page 222, line 26, strike "annually"

Page 222, delete lines 28 to 35

Page 231, lines 6 and 7, delete ", as amended by 1991 H.F. No. 73"

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

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

S.F. No. 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.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1  
STATE BUDGET

Section 1. Minnesota Statutes 1990, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer ~~to~~ *from* the budget and cash flow reserve account ~~such amounts as are available~~ *the amount necessary* to bring the total amount, including any existing balance in the account on June 30, ~~1989~~ 1991, to ~~\$550,000,000~~ \$300,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. [16A.711] [PROPERTY TAX RELIEF ACCOUNT.]

*Subdivision 1. [CREATION.] The commissioner shall deposit to the credit of a dedicated property tax relief account within the general fund all money available under section 297A.44, subdivision 1, paragraph (e). The money in the account must be used only for property tax relief as described in subdivision 3, clause (2), or to repay advances made by the general fund, as provided under subdivision 4.*

*Subd. 2. [APPROPRIATION.] The money to be paid by law from the property tax relief account is appropriated annually.*

*Subd. 3. [ESTIMATES; REDUCTION OF PAYMENTS.] (a) At the beginning of each fiscal year the commissioner, in consultation with the commissioner of revenue, shall estimate for the fiscal year:*

*(1) the amount of revenues to be credited to the account under section 297A.44 or other law; and*

*(2) the payments authorized to be made under chapter 273, other than sections 273.119, 273.136, and 273.1398, subdivision 5b, and under chapter 477A, other than sections 477A.012, subdivision 2, and 477A.13.*

*If the estimated payments exceed the estimated receipts of the account, the appropriations from the account to each program are reduced as provided in section 3, unless otherwise provided by law.*

*If the estimated receipts of the account exceed the estimated payments by \$1,000,000 or more, the appropriation from the account to each inter-governmental aid program is increased as provided in section 3. The aid*

*paid to each local government under the program shall be increased proportionately unless otherwise provided by law.*

*(b) If as a result of changes in economic conditions or if information becomes available that indicates changes either in receipts or payments from the account, the commissioner may at other times estimate the amount of receipts or payments and reduce or restore the appropriations under paragraph (a).*

*Subd. 4. [GENERAL FUND ADVANCES.] If the money in the account is insufficient to make payments on the dates provided by law, but the commissioner estimates receipts for the fiscal year will be sufficient, the commissioner shall advance money from the general fund to the account necessary to make the payments. On or before the close of the biennium the account shall repay the advances with interest, calculated at the rate of earnings on invested treasurer's cash, to the general fund.*

Sec. 3. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

*Subd. 1a. [ADJUSTMENTS FOR PROPERTY TAX RELIEF ACCOUNT REVENUES.] If the amount appropriated under section 2 for the payments authorized to be made under chapter 273, other than sections 273.119, 273.136, and 273.1398, subdivision 5b, and under chapter 477A, other than sections 477A.012, subdivision 2, and 477A.13 is less than or greater than the amounts certified to be paid by the commissioner of revenue, the aids will be reduced or increased in the following manner unless otherwise provided for in law.*

*Each city's, county's, town's, and special taxing district's aids will be reduced or increased by the product of its revenue base and the reduction percentage. In the case of an aid reduction, the reduction is first applied to the local government aid amount under chapter 477A. If the aid reduction is greater than the local government aid amount, the remaining reduction amount is then applied to the local government's homestead and agricultural credit aid, and then if necessary, to its disparity reduction aid. In the case of an aid increase, the increase will be added to the local government aid amount. The aid reduction or increase will be split equally between the July and December aid payments each year.*

*If the commissioner estimates an additional reduction or increase in appropriations for these programs after the July aid payment but before the December payment, the December aid payments to local governments for these programs will be reduced or increased proportionately.*

## ARTICLE 2

### PROPERTY TAXES

Section 1. Minnesota Statutes 1990, section 13.51, is amended by adding a subdivision to read:

*Subd. 3. [DATA ON INCOME OF INDIVIDUALS.] Income information on individuals collected and maintained by political subdivisions to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12.*

Sec. 2. Minnesota Statutes 1990, section 13.54, is amended by adding a subdivision to read:

*Subd. 5. [PRIVATE DATA ON INDIVIDUALS.] Income information on individuals collected and maintained by a housing agency to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12. The data may be disclosed to the county and local assessors responsible for determining eligibility of the property for classification 4c.*

Sec. 3. 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, *as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and parts 7045.0020 to*



7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, 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 *real property* or 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. 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.

*(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under Minnesota Statutes, chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.*

Sec. 4. 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. 5. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

*Subd. 11. [LOW-INCOME HOUSING.] In addition to the normal market value determination, a special market value for properties classified under section 273.13, subdivision 25, paragraph (c), clauses (1), item (ii), (3) and (4), which have applied to the assessor for treatment under this subdivision, shall be determined as provided in this subdivision. The owner may apply annually to the assessor for valuation under this subdivision. If a limited dividend entity owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and the limited partnership agreement must provide that the managing general partner has sufficient powers so that it materially participates in the management and control of the limited dividend entity. The value shall be determined by capitalizing the net operating income derived from actual restricted rents and standardized expenses which are from time to time determined by the housing finance agency for similar projects. Net operating incomes must be greater than zero. The special market value shall be used to compute the taxes owing only on that portion of the structure occupied by low-income, elderly, or handicapped persons or low- and moderate-income families as defined in the applicable laws. The manager of properties valued under this subdivision must demonstrate annually to the assessor that tax savings realized by use of this method of valuation have inured to the tenants, with not less than 70 percent of the tax savings to be used for reduced rents, improved maintenance, capital improvements, or capital reserves. Capital reserves must be in accordance with agreements approved by the governmental regulatory authority. An amount not to exceed 30 percent must be used for other tenant services including, but not limited to, self-sufficiency services, job counseling, and education programs. After the first year, certification that the funds have been spent as required shall be made by an independent auditor performing the financial audit or review on the property as required by the regulatory authority. A copy of the certification must be submitted to the assessor by May 30 of each year. If the assessor determines upon review of the certification that the benefit has not inured*

*to the tenants, the property shall be subject to additional property taxes in the amount of triple the difference between the taxes determined in accordance with this subdivision and the amount of tax payable on the property if it were valued according to subdivision 1 and classified according to section 273.13, subdivision 25, paragraph (a) or (b), as appropriate for those years in which the benefit of the tax savings did not inure to the tenants.*

Sec. 6. Minnesota Statutes 1990, section 273.124, subdivision 7, is amended to read:

Subd. 7. [LEASED BUILDINGS OR LAND.] For purposes of class 1 determinations, homesteads include:

(a) buildings and appurtenances owned and used by the occupant as a permanent residence which are located upon land the title to which is vested in a person or entity other than the occupant;

(b) all buildings and appurtenances located upon land owned by the occupant and used for the purposes of a homestead together with the land upon which they are located, if all of the following criteria are met:

- (1) the occupant is using the property as a permanent residence;
- (2) the occupant is paying the property taxes and any special assessments levied against the property;
- (3) the occupant has signed a lease which has an option to purchase the buildings and appurtenances;
- (4) the term of the lease is at least five years; and
- (5) the occupant has made a down payment of at least \$5,000 in cash if the property was purchased by means of a contract for deed or subject to a mortgage; and

*(c)(i) buildings and appurtenances, together with the land upon which they are located, leased by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a city, provided the occupant's income is no greater than 60 percent of the county or area median income and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing. For purposes of this subdivision, "city" has the meaning given in section 462C.02, subdivision 6;*

*(ii) buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing; or*

*(iii) federally acquired buildings and appurtenances, together with the land upon which they are located that is leased to a nonprofit corporation organized under chapter 317A that qualifies for tax exempt status under United States Code, title 26, section 501(c), or a housing and redevelopment authority authorized under sections 469.001 to 469.047; the purpose of the lease must be to allow the nonprofit corporation to provide transitional*

*housing for homeless persons under the program established in Code of Federal Regulations, title 55, section 49489. As used in this subdivision, "transitional housing" has the meaning given in section 268.38, subdivision 1. If the property is purchased from the federal government by the nonprofit corporation for the purpose of continuing to provide transitional housing after the expiration of the lease, the property shall continue to be eligible for this classification.*

Any taxpayer meeting all the requirements of this paragraph must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, as soon as possible after signing the lease agreement and occupying the buildings as a homestead.

Sec. 7. Minnesota Statutes 1990, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision. *The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by June 1 of a year.*

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 8. Minnesota Statutes 1990, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$110,000 has a class rate of two percent of its market value. The market value of class 1a property that exceeds \$110,000 has a class rate of ~~three~~ 2.7 percent of its market value *for taxes payable in 1992, 2.4 percent for taxes payable in 1993, and 2 percent for taxes payable in 1994 and thereafter.*

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy

for recreational purposes but not devoted to commercial purposes for more than ~~225~~ 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of ~~.4 percent of the first \$32,000 of market value for taxes payable in 1990, .6 percent of the first \$32,000 of market value for taxes payable in 1991,~~ .8 percent of the first \$32,000 of market value for taxes payable in 1992, and one percent of market value in excess of \$32,000 for taxes payable in 1990, 1991, and 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 9. 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~~ 3.5 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~~ 2.8 percent of market value for taxes payable in 1992, 2.6 percent for taxes payable in 1993, and 2.5 percent for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is ~~situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;~~

(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 for the original term of the loan;*

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1990, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents *unless the owner of the property elects to have the property assessed under section 273.11, subdivision 11. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in section 273.13, subdivision 11, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate.* 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. *This clause applies only to the property of a nonprofit or limited dividend entity.*

(4) a parcel of land, not to exceed ~~one acre~~ two acres, and its improvements or a parcel of unimproved land, not to exceed ~~one acre~~ two acres, 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~~ 250 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~~ 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in 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~~ 1990. 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~~ *seasonal residential recreational property not used for commercial purposes* under clause ~~(8)~~ (5) has a class rate of ~~3~~ 2.2 percent of market value for taxes payable in ~~1991~~ and ~~2-3~~ 1992, ~~2.1~~ percent for taxes payable in 1993, and 2 percent of market value for taxes payable in ~~1992, 1994~~ 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~~ *paragraph* 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 *paragraph (c), clause (1), or this clause paragraph* 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.

(e) 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. 10. [273.1317] [CLASSIFICATION OF 4C PROPERTY; LOW-INCOME HOUSING.]

*Subdivision 1. [DEFINITIONS.] (a) "Area median gross income" means area median gross income as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal*

*Revenue Code.*

(b) “*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended through December 31, 1990.

(c) “*Low-income unit*” means a unit that meets the requirements of subdivision 3 and section 42(i)(3)(B), (C), and (D) of the Internal Revenue Code.

(d) “*Project*” means a project for residential rental property. A project consists of a single building and must include the entire residential part of the building. Property must not be treated as failing to be residential rental property merely because part of the building is used for purposes other than residential rental purposes.

(e) “*Rehabilitation expenditures*” has the meaning given it in section 42(e)(2) of the Internal Revenue Code.

(f) “*Rent restricted units*” means rent restricted units as defined and limited by section 42(g)(2) of the Internal Revenue Code.

*Subd. 2. [REQUIREMENTS.] Residential rental property that does not receive a low-income housing credit under section 42 of the Internal Revenue Code must meet the requirements in subdivisions 3 to 5 to qualify for classification 4c under section 273.13, subdivision 25, paragraph (c), clause (3), item (ii).*

*Subd. 3. [RENT RESTRICTIONS; INCOME LIMITS.] (a) At the irrevocable election of the taxpayer, either:*

*(1) 20 percent or more of the residential units in the project must be both rent-restricted and occupied by individuals whose income is 50 percent or less of area median gross income; or*

*(2) 40 percent or more of the residential units in the project must be both rent-restricted and occupied by individuals whose income is 60 percent or less of area median gross income.*

*(b) For purposes of meeting the income limits under paragraph (a) of tenants whose incomes increase, the provisions of section 42(g)(2)(D) and (E) of the Internal Revenue Code apply.*

*Subd. 4. [NEW OR REHABILITATED BUILDING.] A building must be (1) a new building, the original use of which begins with the owners or developers of the building, or (2) an existing building with respect to which rehabilitation expenditures have been paid or incurred by the owner or developer. To qualify under this clause, the rehabilitation expenditures must meet the requirements of section 42(e)(3)(A) of the Internal Revenue Code.*

*Subd. 5. [AGREEMENT.] The owner or developer must execute an agreement with the local housing and redevelopment authority, or other authority as provided in subdivision 7. The agreement must be for a term of 15 years. The agreement must provide that the requirements of subdivision 3 will be met during the term of the agreement. The agreement must provide that the owner or developer must maintain and make available to the authority the information and records the authority considers necessary to monitor compliance with the provisions of this section, including rents, the incomes of tenants, and the number of low-income units in the building.*

*Subd. 6. [RECORDS REVIEW.] The local housing and redevelopment*

*authority or other authority shall annually review income and rental information and records maintained by the owner or developer to determine compliance with the requirements of this section. The local housing and redevelopment authority or other authority shall report to the assessor responsible for assessing the property at the time and in the manner required by the assessor. The assessor shall determine the classification of the property.*

*Subd. 7. [HOUSING AUTHORITY.] If a local housing or redevelopment authority does not exist in the jurisdiction, the county housing and redevelopment authority shall execute the duties imposed in subdivisions 5 and 6. If a county housing and redevelopment authority does not exist in the county, the municipality must appoint the administrator of section 8 certificates within the jurisdiction or contract with a qualified person or entity to perform the duties imposed in subdivisions 5 and 6.*

*Subd. 8. [ADDITIONAL TAX.] Notwithstanding the provisions of section 273.01, 274.01, or any other law, if the assessor determines that the provisions of this section have not been met for any period during which the property was classified under and received the benefits of this section, an additional tax is imposed. The additional tax is equal to the tax which would have been imposed if this section had not been applied, and the tax actually imposed, during the period of noncompliance. The additional tax must be extended against the property on the tax list for the current year. No interest or penalties may be levied on additional taxes if timely paid. The tax imposed by this subdivision is a lien upon the property assessed to the same extent and for the same duration as other taxes imposed on the property.*

Sec. 11. Minnesota Statutes 1990, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than ~~ten~~ 12 percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$40 or more for taxes payable in 1990 and 1991, \$60 or more for taxes payable in 1992, \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1993, and 1994, a claimant who is a homeowner shall be allowed an additional refund equal to the sum of (1) 75 percent of the first \$250 of the amount of the increase over ten percent for taxes payable in 1990 and 1991, 75 percent of the first \$275 of the amount of the increase over ten percent for taxes payable in 1992, 75 percent of the first \$300 of the amount of the increase over ten percent for taxes payable in 1993, and 75 percent of the first \$325 of the amount of the increase over ten percent for taxes payable in 1994, and (2) 90 percent of the amount of the increase over ten percent plus \$250 for taxes payable in 1990 and 1991, 90 percent of the amount of the increase over ten percent plus \$275 for taxes payable in 1992, 90 percent of the amount of the increase over ten percent plus \$300 for taxes payable in 1993, and 90 percent of the amount of the increase over ten percent plus \$325 for taxes payable in 1993, and 1994. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.132;

273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1990, and December 1 of each of the following three years, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed the following amounts for the taxes payable year designated, the commissioner shall increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund so that the estimated total refund claims do not exceed the appropriation limit.

Taxes payable in:	Appropriation limit
1991	\$13,000,000
1992	<del>\$6,500,000</del> \$30,000,000
1993	\$6,000,000
1994	\$5,500,000

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Sec. 12. Laws 1990, chapter 604, article 3, section 46, subdivision 1, is amended to read:

Subdivision 1. [LIMITED VALUATION INCREASE.] (a) Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the estimated market value of a manufactured home park, as defined in section 327.14, subdivision 3, and assessed under section 273.13, subdivision 25, for taxes levied in 1990, may not exceed 133-1/3 percent of its estimated market value for taxes levied in 1989 as limited by Laws 1989, First Special Session chapter 1, article 3, section 32, subdivision 1. The excess market value, *including market value added by the January 2, 1991, assessment*, must be entered equally in the next two succeeding assessment years.

(b) This subdivision does not apply to increases in value attributable to improvements made to the real estate since the January 2, 1989, assessment. It does not apply to property becoming subject to taxation since the January 2, 1989, assessment. The limitation in this subdivision applies to any increase in valuation imposed by the local boards of review under section 274.01, the county boards of equalization under section 274.13, and the state board of equalization and the commissioner of revenue under sections 270.11, 270.12, and 270.16.

Sec. 13. [EFFECTIVE DATE.]

*Sections 1 to 3, 6 to 10, and 12 are effective for taxes levied in 1991, payable in 1992, and thereafter. Sections 4 and 5 and those parts of section 9 relating to valuation under section 5 are effective for taxes levied in 1992,*

*payable in 1993, and thereafter. Section 11 is effective for claims based on property taxes payable in 1992 and thereafter.*

### ARTICLE 3

#### LEVY LIMITS AND AUTHORIZATIONS

Section 1. Minnesota Statutes 1990, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1990 payable in 1991 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph ~~(j)~~ (k), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph ~~(j)~~ (k), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph ~~(j)~~ (k), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy

certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under



section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the

actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3);

(w) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county is operating under a department of corrections directive that limits the capacity of a county jail as authorized in section 641.01 or 641.262, or a correctional facility as defined in section 241.021, subdivision 1, paragraph (5);

(x) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(y) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1989 and 1990 for the purpose of grasshopper control; and, for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control;

(z) for a county, provide an amount needed to fund comprehensive local water implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

A county may levy an amount not to exceed the water implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water implementation local tax rate shall be set by August 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales ratio study. That rate shall be the rate, rounded up to the nearest one-thousandth of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount specified in this clause. The water implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,500,000 and the rate for taxes levied in 1991 shall be the rate that raises \$1,500,000. A county must levy a tax at the rate established under this clause to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5;

(aa) pay the unreimbursed county costs for court-ordered family-based services and court-ordered out-of-home placement for children to the extent

that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) or (u) must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; ~~and~~

(bb) pay the amounts allowed as special levies under Laws 1989, First Special Session chapter 1, article 5, section 50, and subdivisions 5a and 5b; ~~and~~

*(cc) for taxes levied in 1991 only, pay the costs reasonably expected to be incurred in 1992 related to the redistricting of election districts and establishment of election precincts pursuant to sections 204B.135 and 204B.14, the notices required by section 204B.14, subdivision 4, and the reassignment of voters in the statewide registration system, not to exceed \$2 per capita.*

Sec. 2. 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) *Itasca county for economic development purposes as provided in Laws 1988, chapter 517, and Laws 1989, First Special Session chapter 1, article 5, section 50, as amended.*

Sec. 3. Laws 1989, First Special Session chapter 1, article 5, section 50, is amended to read:

Sec. 50. [LEVY LIMIT EXCEPTION.]

For taxes levied in 1989 ~~and~~, 1990, *and* 1991 only, payable in 1990 ~~and~~, 1991, *and* 1992 only, a levy by the Itasca county board under Laws 1988, chapter 517, is not subject to the levy limitations of Minnesota Statutes, sections 275.50 to 275.56, or other law.

Sec. 4. [BECKER COUNTY; LEVY LIMIT BASE ADJUSTMENT.]

*Subdivision 1. [AUTHORIZATION.] For taxes levied in 1991, payable in 1992, the levy limit base for Becker county computed under Minnesota Statutes, section 275.51, subdivision 3f, shall be increased by an amount of \$900,000.*

*Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective the day following approval by the Becker county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 5. [MCLEOD COUNTY; LEVY AUTHORIZATIONS.]

*Subdivision 1. [SPECIAL LEVY.] For taxes levied in 1991, payable in 1992, McLeod county may levy a special levy of up to \$815,396. This amount replaces reserve funds expended in excess of the levies adopted by the county board for calendar years 1986 and 1987. The county must provide evidence to the commissioner of revenue of the amount of reserve funds expended. The levy allowed under this section is not subject to the provisions of Minnesota Statutes, sections 275.51 to 275.56.*

*Subd. 2. [LEVY LIMIT BASE ADJUSTMENT.] For taxes levied in 1991, payable in 1992, the levy limit base for McLeod county computed under Minnesota Statutes, section 275.51, subdivision 3f, is increased by an amount up to \$99,156. This amount adjusts the county's levy limit base to reflect the actual reserve funds expended in excess of those adopted by the county board for calendar years 1988 and 1989. The county must provide evidence to the commissioner of revenue of the amount of reserve funds expended.*

*Subd. 3. [EFFECTIVE DATE.] This section is effective the day following approval by the McLeod county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 6. [MILLE LACS COUNTY; INCREASE IN SOCIAL SERVICES SPECIAL LEVY.]

*Subdivision 1. [AUTHORIZATION.] The amount levied by Mille Lacs*

county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount levied under this clause in the previous year plus (2) the amount levied by Mille Lacs county for social services in 1990, payable in 1991, under Laws 1990, chapter 604, article 3, section 54.

*Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective the day following approval by the Mille Lacs county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 7. [SWIFT COUNTY; INCREASE IN SOCIAL SERVICES SPECIAL LEVY.]**

*Subdivision 1. [AUTHORIZATION.] The amount levied by Swift county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount levied under that clause in the previous year plus (2) \$250,000.*

*Subd. 2. [LOCAL APPROVAL; EFFECTIVE DATE.] Subdivision 1 is effective the day following approval by the Swift county board and compliance with section 645.021, subdivision 3.*

**Sec. 8. [COON CREEK WATERSHED DISTRICT; WATER MAINTENANCE AND REPAIR FUND; CREATION OF FUNDS; TAX LEVY.]**

*The Coon Creek watershed district may, in addition to its other powers, establish a water maintenance and repair fund which shall be kept distinct from all other funds of the district. The fund shall be maintained by an annual ad valorem tax levy on all taxable property within the Coon Creek watershed district sufficient to raise not more than \$60,000 for taxes levied in 1991, and for taxes levied in subsequent years not more than \$30,000. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by the levy for the fund for the ensuing year, which shall be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 103D.915, in addition to any other money levied, collected, and distributed to the district.*

**Sec. 9. [PURPOSE OF FUND.]**

*The water maintenance and repair fund may be used for maintenance, repair, restoration, upkeep, and rehabilitation of public ditches, drains, dams, storm sewers, rivers, streams, watercourses, and waterbodies, natural or artificial, lying wholly or partly within the district.*

**Sec. 10. [WORKS; MUNICIPALITIES.]**

*Works to be undertaken and paid for from the water maintenance and repair fund must be ordered by the board of managers of the district. Before the commencement of works ordered, affected municipalities must be notified in writing by the district of the proposed works and estimated costs. Within 30 days following receipt of the written notice, an affected municipality may notify the district in writing that it will perform the works ordered by the district. If the municipality undertakes the works, it must be paid by the district from the water maintenance and repair fund. If the municipality fails to perform the works, the district may have the works performed in any other manner authorized by law.*

**Sec. 11. [EFFECTIVE DATE.]**

*Sections 1 to 10 are effective for taxes levied in 1991, payable in 1992.*

## ARTICLE 4

## TRUTH IN TAXATION

Section 1. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. ~~It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.~~

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the ~~second previous~~ *current* school year to the immediately ~~prior~~ *following* school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

*The notice must also state a total proposed percentage increase or decrease in the proposed levies for taxes payable the following year from the actual property tax levy for taxes payable in the current year for the county, city or town, and school district. The county auditor shall compute the total percentage increase or decrease as an average percentage change weighted in proportion to each taxing jurisdiction's proportion of the total levy.*

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for

taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. *In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and*

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

(g) *Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.*

Sec. 2. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or in the case of a school district, a property tax levy, at a public hearing. The notice must be published not less than two *business* days nor more than six *business* days before the hearing.

*For a city that has a population of less than 2,500 as determined under section 275.51, subdivision 6, the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than ~~24-point~~ 14-point. The text of the advertisement must be no smaller than ~~18-point~~ 12-point, except that the property tax amounts and percentages may be in ~~14-point~~ 10-point type. For a city that has a population of 2,500 or more, and for a county or school district, the advertisement must be at least one-quarter page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than*

30-point. The text of the advertisement must be no smaller than 22-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district must not include references to budget hearings or to adoption of a budget:

“NOTICE OF  
PROPOSED PROPERTY TAXES

(City/County/School District) of . . . . .

The governing body of . . . . . will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199\_\_ school district services that will be provided in 199\_\_ and 199\_\_).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199\_\_ if the budget now being considered is approved.

199__ Property Taxes	Proposed 199__ Property Taxes	199__ Increase or Decrease
\$ . . . . .	\$ . . . . .	. . . . . %

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address).”

(c) To determine the size of a city's advertisement under paragraph (a), the population of a city is the population used for purposes of the population adjustment to the levy limit base of the city under section 275.51, subdivision 6.

Sec. 3. 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, 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 of a school ~~districts~~ district, shall adopt its final property tax levy prior to adopting its final budget.

*If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.*

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. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective for taxes levied in 1991, payable in 1992, and thereafter.*

### ARTICLE 5

#### PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes 1990, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property *located within a statutory or home rule charter city to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10 .8 percent of market value for taxes payable in 1992, .9 percent of market value for taxes payable in 1993, and 1 percent of market value for taxes payable in 1994, and subsequent years.*

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property *located within a statutory or home rule charter city to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10 .8 percent of market value for taxes payable in 1992, .9 percent of market value for taxes payable in 1993, and 1 percent of market value for taxes payable in 1994, and subsequent years.*

(c) The maximum reduction of the tax is \$225.40 on property described

in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net class rate to the gross class rate applicable to the first \$68,000 of the market value of residential homesteads, "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after the application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 2. Minnesota Statutes 1990, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property *located within a statutory or home rule charter city to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10 .8 percent of market value for taxes payable in 1992, .9 percent of market value for taxes payable in 1993, and 1 percent of market value for taxes payable in 1994, and subsequent years.* The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property *located within a statutory or home rule charter city to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10 .8 percent of market value for taxes payable in 1992, .9 percent of market value for taxes payable in 1993, and 1 percent of market value for taxes payable in 1994, and subsequent years.*

(c) The maximum reduction of the tax is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net class rate to the gross class rate applicable to the first \$68,000 of the market value of residential homesteads, and "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 3. Minnesota Statutes 1990, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1991 the class rate applied to class 3 utility real and personal property shall be 5.38 percent; the class rate applied to class 4e property and that portion of class 3 property with an actual net class rate of 2.3 percent shall be 2.4 percent; the class rates applied to class 2a agricultural homestead property excluding the house, garage, and one acre shall be .4 percent for the first \$100,000 of value reduced by the value of the house, garage, and one acre; 1.3 percent for the remaining value of the first 320 acres; and 1.7 percent for the remaining value of any acreage in excess of 320 acres; the class rate applied to class 2b property shall be 1.7 percent; the class rate applied to class 1b property shall be .4 percent; and the class rate for the portion of class 1 property and the house, garage, and one acre portion of class 2a property with a market value in excess of \$100,000 shall be 3.0 percent 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; and the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for

purposes of this paragraph for aids payable in 1991 or 1992. ~~The reclassification of fraternity and sorority houses as class 4e shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991.~~ "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) *For aid payable in 1992*, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b. *For aid payable in 1993*, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2, less any reductions in 1992 required under sections 477A.012, subdivision 8; 477A.013, subdivision 10; and 477A.0135, subdivision 3; and *Laws 1990, chapter 604, article 4, section 19. For aid payable in 1994 and subsequent years*, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2.

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473E.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to

equalized school levies as defined in subdivision 2a.

Sec. 4. Minnesota Statutes 1990, section 273.1398, subdivision 3, is amended to read:

Subd. 3. [DISPARITY REDUCTION AID.] (a) For taxes payable in 1990, and subsequent years, the amount of disparity aid originally certified for each unique taxing jurisdiction for taxes payable in the prior year shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for taxes payable in the year for which aid is being computed, to (2) its tax capacity using the class rates for taxes payable in the year prior to that for which aid is being computed, both based upon market values for taxes payable in the year prior to that for which aid is being computed. *For taxes payable in 1992 and subsequent years, the amount of disparity aid certified to each taxing jurisdiction shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 8; 477A.013, subdivision 10; and 477A.0135, subdivision 3; and Laws 1990, chapter 604, article 4, section 19.*

(b) The disparity reduction aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.

Sec. 5. Minnesota Statutes 1990, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall determine the total education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under this section, local government aid to cities, counties, and towns paid under chapter 477A, and human services aids, including for aids paid in 1991 and thereafter, the amount paid under subdivision 5b, paid to counties for each taxing jurisdiction. The commissioner shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the commissioner will compute a gross local tax rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity under Minnesota Statutes 1988, section 273.13. For each unique taxing jurisdiction, a total gross local tax rate will be determined. This total gross local tax rate will be applied against the gross tax capacity of property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. An estimated credit amount will be determined for all qualifying parcels based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the local tax rates of all local governments levying taxes within the unique taxing jurisdiction in the following year. The commissioner shall certify the amounts of additional



credits determined under this subdivision to the county auditor at the time provided in subdivision 6. *For aid payable in 1992 and subsequent years, the aid payable under this subdivision shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 8; 477A.013, subdivision 10; and 477A.0135, subdivision 3; and Laws 1990, chapter 604, article 4, section 19.*

Sec. 6. Minnesota Statutes 1990, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1, except for the equalization levies defined in section 273.1398, subdivision 2a, paragraph (a), by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a; fiscal disparity homestead and agricultural credit aid under section 273.1398, subdivision 2b; and equalization aid certified by section 477A.013, subdivision 5. *For each city that has nonhomestead property tax relief certified under section 477A.013, subdivision 5a, the county auditor shall divide the amount of aid certified for that city by the city's total net tax capacity as determined in section 275.08, subdivision 1b, less the net tax capacity of property classified as class 1 residential homesteads under section 273.13, subdivision 22, and class 2 agricultural property under section 273.13, subdivision 23. The resulting percentage shall be used by the county auditor to calculate a credit to reduce the levy on nonhomestead and nonagricultural property. For property within a tax increment district, the credit shall be prorated between the authority as defined in section 469.174, subdivision 2, and other taxing jurisdictions by the ratio of the captured net tax capacity of the district under section 469.174, subdivision 4, to the total net tax capacity of the district. Tax capacity in either case shall not include the tax capacity of class 1 and 2 property. The credit prorated to the authority shall reduce its tax increment under section 469.177, subdivision 3.*

Sec. 7. Minnesota Statutes 1990, section 477A.011, subdivision 27, as amended by Laws 1991, chapter 2, article 8, section 2, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in 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 *originally certified* local government aid under sections 477A.011; 477A.012, subdivisions 1, 3, and 5, determined without regard to subdivision 2; and 477A.013, subdivisions 1, 3, 6, and 7; and the estimated taconite aids used to determine levy limits for taxes payable in 1991 under section 275.51, subdivision 3i.

Sec. 8. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 29. [ADJUSTED REVENUE BASE.] "*Adjusted revenue base*" means a revenue base as defined in subdivision 27 less the special levy under section 275.50, subdivision 5, paragraph (a).

Sec. 9. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 30. [SECOND HALF PAYMENT REDUCTION PERCENTAGE.]

*"Second half payment reduction percentage" means the equal percentage reduction in each county, city, town, and special taxing district adjusted revenue base that is necessary to reduce 1991 aid payments under sections 477A.012, subdivisions 1 and 3; 477A.013, subdivisions 1, 3, and 5; and 273.1398, subdivisions 2, 2b, 3, and 5, after subtracting the reduction made pursuant to sections 477A.012, subdivision 6; 477A.013, subdivision 8; and 477A.0135, subdivision 1, by a combined amount of \$37,500,000.*

Sec. 10. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

*Subd. 31. [1992 REDUCTION PERCENTAGE.] "1992 reduction percentage" means the equal percentage reduction in each county, city, town, and special taxing district adjusted revenue base that is necessary to reduce 1992 aid payments under sections 477A.012, subdivisions 1, 3, and 4; 477A.013, subdivisions 1, 3, and 5; 273.1398, subdivisions 2, 3, and 5, after subtracting the reduction made pursuant to Laws 1990, chapter 604, article 4, section 19, by a combined amount of \$87,000,000.*

Sec. 11. Minnesota Statutes 1990, section 477A.012, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 4, 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 subdivisions 6, 7, and 8, and Laws 1990, chapter 604, article 4, section 19, in calendar year 1991 and subsequent years 1992, 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. In calendar year 1993 and subsequent years, each county government shall receive a distribution equal to the aid amount it received under this subdivision in 1992 less the reductions made under subdivision 8 and Laws 1990, chapter 604, article 4, section 19.*

Sec. 12. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 7. [SECOND HALF 1991 COUNTY AID ADJUSTMENT.] A county's 1991 payment of local government aid, homestead and agricultural credit aid, fiscal disparity homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the second half payment reduction percentage less the reduction made pursuant to subdivision 6. The aid reduction is first applied to a county's local government aid; then, if necessary, the sum of its homestead and agricultural credit aid and fiscal disparity homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee. To the maximum extent possible, the reductions shall be made in the scheduled December 31, 1991, payment.*

Sec. 13. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 8. [1992 COUNTY AID ADJUSTMENT.] A county's 1992 payment of local government aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage less the reduction made pursuant to Laws 1990, chapter 604, article 4, section 19. The aid reduction is first applied to a county's local*

*government aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.*

Sec. 14. Minnesota Statutes 1990, section 477A.013, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 6, 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~~ *subdivisions 8, 9, and 10*, in calendar year 1991 and ~~subsequent years~~ *1992*, 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. *In calendar year 1993 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 1992 under this subdivision less the amount deducted in 1992 under subdivision 10.*

Sec. 15. Minnesota Statutes 1990, section 477A.013, subdivision 3, as amended by Laws 1991, chapter 2, article 8, section 7, 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~~ 1992, 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~~ subdivisions 8, 9, and 10, and Laws 1990, chapter 604, article 4, section 19. In 1993 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in 1992 less the amounts deducted in 1992 under subdivision 10 and Laws 1990, chapter 604, article 4, section 19.

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

*Subd. 5a. [NONHOMESTEAD PROPERTY TAX RELIEF] A city is eligible for nonhomestead property tax relief if the local tax rate for the city as calculated under section 275.08 for taxes payable in 1991 was .15 or higher. For each eligible city, the amount of nonhomestead property tax relief for taxes payable in 1992 and thereafter is equal to the product of (i) the total net tax capacity of all property in the city other than property classified as class 1 residential homesteads under section 273.13, subdivision 22, and class 2 agricultural property under section 273.13, subdivision 23, (ii) .12, and (iii) 1 minus the ratio of the net tax capacity per capita to 900. For purposes of clause (i) of this subdivision, the net tax capacity of property within the city shall be calculated using the class rates and estimated market values for taxes payable in the year prior to the aid distribution. For purposes of clause (iii) of this subdivision, "net tax capacity" means the net tax capacity as defined in section 477A.011, subdivision 25.*

*If the amount allocated under section 477A.03, subdivision 1, is insufficient to pay the aid amounts calculated under this subdivision, the commissioner of revenue shall proportionately reduce the nonhomestead property tax relief for each city so that the sum of the amounts paid under this subdivision equals the amount allocated in section 477A.03, subdivision 1.*

Sec. 17. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

*Subd. 9. [SECOND HALF 1991 CITY AND TOWN AID ADJUSTMENT.] A city's or town's 1991 payment of local government aid, equalization aid, homestead and agricultural credit aid, fiscal disparity*

*homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the second half payment reduction percentage less the reduction made pursuant to subdivision 8. The aid reduction is first applied to a city's or town's local government aid; then, if necessary, its equalization aid; then, if necessary, the sum of its homestead and agricultural credit aid and fiscal disparity homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee. To the maximum extent possible, the reductions shall be made in the scheduled December 31, 1991, payment.*

Sec. 18. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

*Subd. 10. [1992 CITY AID ADJUSTMENT.] A city's or town's 1992 payment of local government aid, equalization aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage less the reduction made pursuant to Laws 1990, chapter 604, article 4, section 19. The aid reduction is first applied to a city's or town's local government aid; then, if necessary, its equalization aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.*

Sec. 19. Laws 1991, chapter 2, article 8, section 9, is amended to read:

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

*Subdivision 1. [1991 SPECIAL TAXING DISTRICTS AID ADJUSTMENT.] A special taxing district's July 20, 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 July 20, 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The July 20, 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.*

*Subd. 2. [SECOND HALF 1991 SPECIAL TAXING DISTRICT AID ADJUSTMENT.] A special taxing district's 1991 payment of homestead and agricultural credit aid and disparity reduction aid is reduced by the product of its adjusted revenue base and the second half payment reduction percentage less the reduction made pursuant to subdivision 1. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount. If the aid reduction is greater than the homestead and agricultural credit aid amount, the remaining amount is then applied to the special taxing district's disparity reduction aid. To the maximum extent possible, the reduction shall be made in the scheduled December 31, 1991, payment.*

*Subd. 3. [1992 SPECIAL TAXING DISTRICT AID ADJUSTMENT.] A special taxing district's 1992 payment of homestead and agricultural credit aid and disparity reduction aid is reduced by the product of its adjusted*

*revenue base and the 1992 reduction percentage less the reduction made pursuant to Laws 1990, chapter 604, article 4, section 19. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount. If the aid reduction is greater than the homestead and agricultural credit aid, the remaining amount is then applied to the special taxing district's disparity reduction aid.*

Sec. 20. Minnesota Statutes 1990, section 477A.014, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 10, 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 statewide 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. *The commissioner shall reduce the county, city, town, and special taxing district aids for 1991 and subsequent years as specified in sections 477A.012, subdivisions 7 and 8; 477A.013, subdivisions 9 and 10; and 477A.0135, subdivisions 2 and 3, and Laws 1990, chapter 604, article 4, section 19.*

Sec. 21. Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ 31 annually.

The commissioner may pay all or part of the payment due on December ~~15~~ 31 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 22. Minnesota Statutes 1990, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue. For aids payable in 1991 and thereafter, the total amount of equalization aid paid under section 477A.013, subdivision 5, is limited to \$19,485,684. *For aids payable in 1992 and thereafter, the total amount of nonhomestead property tax relief paid under section 477A.013, subdivision 5a, is limited to \$6,000,000.*

ARTICLE 6  
LOCAL GOVERNMENT SERVICE SHARING AND  
COMBINATION INCENTIVES

Section 1. [465.80] [SERVICE SHARING GRANTS.]

*Subdivision 1. [SCOPE.] This section establishes a program for grants to cities, counties, and towns to enable them to meet the start-up costs of providing shared services or functions.*

*Subd. 2. [ELIGIBILITY.] Any home rule charter or statutory city, county, or town that provides a plan for offering a governmental service under a joint powers agreement with another city, county, or town, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."*

*Subd. 3. [PLAN.] To apply for a grant under this section, the governing body of the eligible local government unit must by resolution adopt a plan that includes:*

*(1) a proposal to enter into an agreement for the joint exercise of powers under section 471.59 that will result in a fully integrated service or function provided by the eligible local unit of government and one or more other government units as defined in section 471.59. Agreements solely to make joint purchases are not sufficient to qualify under this section;*

*(2) specific projections of cost savings or more efficient service operations that are reasonably likely to result from the combined service or function; and*

*(3) evidence of the need for financial assistance to meet start-up costs that would be entailed in providing the combined service or function.*

*Subd. 4. [SUBMISSION OF PLAN TO DEPARTMENT.] The plan must be submitted to the department of trade and economic development. The commissioner of trade and economic development will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under clauses (2) and (3). The commissioner may request modifications of a plan. If the commissioner rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.*

*Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the commissioner shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the commissioner to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.*

Sec. 2. [465.81] [COOPERATION AND COMBINATION.]

*Subdivision 1. [SCOPE.] Sections 2 to 8 establish procedures to be used by counties, cities, or towns that adopt by resolution an agreement providing a plan to provide combined services during an initial two-year cooperation*

*period and then to merge into a single unit of government over the succeeding two-year period.*

*Subd. 2. [DEFINITIONS.] As used in sections 2 to 8, the words defined in this subdivision have the meanings given them in this subdivision.*

*“City” means home rule charter or statutory cities.*

*“Commissioner” means the commissioner of trade and economic development.*

*“Department” means the department of trade and economic development.*

*“Governing body” means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.*

*“Local government unit” or “unit” includes counties, cities, and towns.*

*Subd. 3. [COMBINATION REQUIREMENTS.] Counties may combine with one or more other counties. Cities may combine with one or more other cities or with one or more towns. Towns may combine with one or more other towns or with one or more cities. Units that combine must be contiguous.*

**Sec. 3. [465.82] [COOPERATION AND COMBINATION PLAN.]**

*Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 2 to 8 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the department of trade and economic development for review and comment. Significant modifications and specific resolutions of items must be submitted to the department for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each department review and comment.*

*Subd. 2. [CONTENTS OF PLAN.] The plan shall state:*

*(1) the specific cooperative activities the units will engage in during the first two years of the venture;*

*(2) the steps to be taken to effect the merger of the governmental units, beginning in the third year of the process, with completion no later than four years after the process begins;*

*(3) the steps by which a single governing body will be created. Notwithstanding any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 2 to 8 may serve on the initial governing body of the combined unit, until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached;*

*(4) changes in services provided, facilities used, administrative operations and staffing to effect the preliminary cooperative activities and the final merger;*

*(5) treatment of employees of the merging governmental units, specifically*



*including provisions for reassigning employees, dealing with unions, and providing financial incentives to encourage early retirements;*

*(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging entities;*

*(7) two, five, and ten-year projections prepared by the department of revenue at the request of the local government unit, of revenues, expenditures, and property taxes for each unit if it combined and if it remained separate;*

*(8) procedures for a referendum to be held prior to the year of the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and*

*(9) a time schedule for implementation.*

**Sec. 4. [465.83] [STATE AGENCY APPROVAL.]**

*Before scheduling a referendum on the question of combining local government units under section 5, the units shall submit the plan adopted under section 3 to the commissioner. The commissioner may require any information it deems necessary to evaluate the plan. The commissioner shall disapprove the proposed combination if the commissioner finds that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete.*

**Sec. 5. [465.84] [REFERENDUM.]**

*During the first or second year of cooperation, and after approval of the plan by the department under section 4, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the governing bodies of the units that propose to combine. The referendum shall be conducted according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.*

**Sec. 6. [465.85] [COUNTY AUDITOR TO PREPARE PLAT.]**

*Upon the request of two or more local government units that have adopted a resolution to cooperate and combine, the county auditor shall prepare a plat. If the proposed combined local government unit is located in more than one county, the request shall be submitted to the county auditor of the county that has the greatest land area in the proposed district. The plat must show:*

*(1) the boundaries of each of the present units;*

*(2) the boundaries of the proposed unit;*

*(3) the boundaries of proposed election districts, if requested; and*

*(4) other information deemed pertinent by the governing bodies or the county auditor.*

**Sec. 7. [465.86] [BONDED DEBT AT THE TIME OF COMBINATION.]**

*Debt service for bonds outstanding at the time of the combination may*

*be levied by the combined governing body consistent with the plan adopted according to section 3, and any subsequent modifications, subject to section 475.61. The primary obligation to pay the bonded indebtedness outstanding on the effective date of combination remains with the local government unit that issued the bonds, but a combined unit may make debt service payments on behalf of a preexisting unit.*

**Sec. 8. [465.87] [AIDS TO COOPERATING AND COMBINING UNITS.]**

*Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the commissioner has approved its plan to cooperate and combine under section 4.*

*Subd. 2. [AMOUNT OF AID.] The aid to be paid to each eligible local government unit is equal to the following per capita amounts, based on the combined population of the units, not to exceed \$100,000 per year for any unit.*

<i>Combined Population after Combination</i>	<i>Aid Per Capita</i>
<i>0 - 2,500</i>	<i>\$25</i>
<i>2,500 - 5,000</i>	<i>20</i>
<i>5,000 - 20,000</i>	<i>15</i>
<i>over 20,000</i>	<i>10</i>

*Payments shall be made on the dates provided for payments of local government aid under section 477A.013, beginning in the year during which substantial cooperative activities under the plan initially occur, unless those activities begin after July 1, in which case the initial aid payment shall be made in the following calendar year.*

*Subd. 3. [TERMINATION OF AID; RECAPTURE.] If a second referendum under section 5 fails, or if an initial referendum fails and the governing body does not schedule a second referendum within one year after the first has failed, or if one or more of the local government units that proposed to combine terminates its participation in the cooperation or combination, no additional aid will be paid under this section. The amount previously paid under this section to a unit must be repaid if the governing body of the unit acts to terminate its current level of participation in the plan. The amount previously paid to the unit must be repaid in annual installments equal to the total amount paid to the unit for all years under subdivision 2, divided by the number of years when payments were made.*

**Sec. 9. [APPROPRIATION.]**

*\$2,000,000 is appropriated to the commissioner of trade and economic development to be used to make the grants under section 1 and to pay the aids under sections 2 to 8. At least 40 percent of the amount appropriated under this section shall be used to make aid payments under sections 2 to 8 unless there are not enough qualified applicants for the cooperation and combination program to make use of the full appropriation.*

**ARTICLE 7**

**INCOME TAX**

Section 1. Minnesota Statutes 1990, section 290.05, subdivision 1, is amended to read:

Subdivision 1. The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(a) corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and other ores the mining or production of which is subject to the occupation tax imposed by section 298.01; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(b) the United States of America, the state of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions;

(c) any insurance company that is domiciled in a state or country other than Minnesota that imposes retaliatory taxes, fines, deposits, penalties, licenses, or fees and that does not grant, on a reciprocal basis, exemption from such retaliatory taxes to insurance companies or their agents domiciled in Minnesota. "Retaliatory taxes" means taxes imposed on insurance companies organized in another state or country that result from the fact that an insurance company organized in the taxing jurisdiction and doing business in the other jurisdiction is subject to taxes, fines, deposits, penalties, licenses, or fees in an amount exceeding that imposed by the taxing jurisdiction upon an insurance company organized in the other state or country and doing business to the same extent in the taxing jurisdiction; ~~and~~

(d) town and farmers' mutual insurance companies and mutual property and casualty insurance companies, other than those (1) writing life insurance or (2) whose total assets on December 31, 1989, exceeded \$1,600,000,000-; ~~and~~

*(e) the net income of an external nuclear decommissioning reserve fund shall be exempt from tax. As used in this paragraph, an "external nuclear decommissioning reserve fund" means a fund established by a utility company to provide money to pay nuclear decommissioning costs. The fund is derived from money that is periodically received from utility customers and is segregated from the assets of the utility company and outside its administrative control. This income shall be taxed to the utility when the utility receives it from the fund.*

Sec. 2. Minnesota Statutes 1990, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

if taxable income is:  
not over \$19,000

the tax is:  
6 percent

over \$19,000

\$1,140 plus 8 percent of the excess  
over \$19,000

plus an amount computed using the following schedule of rates:

if taxable income is:

over \$75,500, but not  
over \$165,000  
over \$165,000

the tax is:

0.5 percent of the  
excess over \$75,500  
\$447.50

(1) On the first \$19,910, 6 percent;

(2) All over \$19,910, but not over \$79,120, 8 percent;

(3) All over \$79,120, 8.5 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts. In the case of married individuals filing separately, the additional 0.5 percent tax provided in this subdivision shall be applied to taxable income over \$37,750, but not over \$127,500.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:

not over \$13,000  
over \$13,000

the tax is:

6 percent  
\$780 plus 8 percent of the excess  
over \$13,000

plus an amount computed using the following schedule of rates:

if taxable income is:

over \$42,700, but not  
over \$93,000  
over \$93,000

the tax is:

0.5 percent of the  
excess over \$42,700  
\$251.50

(1) On the first \$13,620, 6 percent;

(2) On all over \$13,620, but not over \$44,750, 8 percent;

(3) On all over \$44,750, 8.5 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:

not over \$16,000  
over \$16,000

the tax is:

6 percent  
\$960 plus 8 percent of the excess  
over \$16,000

plus an amount computed using the following schedule of rates:

if taxable income is:

over \$64,300, but not  
over \$135,000  
over \$135,000

the tax is:

0.5 percent of the  
excess over \$64,300  
\$353.50

- (1) On the first \$16,770, 6 percent;
- (2) On all over \$16,770, but not over \$67,390, 8 percent;
- (3) On all over \$67,390, 8.5 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 3. Minnesota Statutes 1990, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1990~~ 1991, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1987~~ 1990, and before January 1, ~~1991~~ 1992. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets *and* by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, ~~1989~~ 1990, except that in section 1(f)(3)(B) the word "~~1989~~" "1990" shall be substituted for the word "1987." For 1991, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31, ~~1990~~ 1991, and in each subsequent year, from the 12 months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained

in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

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.

*If a child who is six years of age or less at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but not older than six years of age at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care. These deemed amounts apply regardless of whether any employment-related expenses have been paid.*

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 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes

imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

- (a) an amount equal to ~~six~~ 6.5 percent of alternative minimum taxable income after subtracting the exemption amount, over
- (b) the regular tax for the taxable year.

Sec. 6. Minnesota Statutes 1990, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction *and the medical expense deduction*;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals six percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses

(a) to (e).

Sec. 7. Minnesota Statutes 1990, section 290.191, subdivision 4, is amended to read:

Subd. 4. [APPORTIONMENT FORMULA FOR CERTAIN MAIL ORDER BUSINESSES.] If the business consists exclusively of the selling of tangible personal property and services in response to orders received by United States mail or telephone, and 99 percent of the taxpayer's property and payroll is within Minnesota, then the taxpayer may apportion net income to Minnesota based solely upon the percentage that the sales made within this state in connection with the trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period. Property and payroll factors are disregarded. In determining eligibility for this subdivision:

(1) the sale not in the ordinary course of business of tangible or intangible assets used in conducting business activities must be disregarded; and

(2) property and payroll at a distribution center outside of Minnesota are disregarded if the sole activity at the distribution center is the filling of orders, and no solicitation of orders occurs at the distribution center.

Sec. 8. Minnesota Statutes 1990, section 290.923, is amended by adding a subdivision to read:

Subd. 11. [EXEMPTION FROM DEDUCTING AND WITHHOLDING.] A person or entity whose shares or certificates of beneficial interest are traded on the New York Stock Exchange or publicly traded on any recognized stock exchange is exempt from deduction and withholding under this section.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 3, 5, 7, and 8 are effective for taxable years beginning after December 31, 1990. Section 4 is effective for taxable years beginning after December 31, 1991. Section 6 is effective for taxable years beginning after December 31, 1984.

## ARTICLE 8

### SALES TAX

Section 1. Minnesota Statutes 1990, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:



(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served; or

(3) meals and lunches served at public and private schools, universities, or colleges. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, massage parlors, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service,

and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub planting, pruning, bracing, spraying, and surgery; and tree trimming for public utility lines. *Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;*

(vii) *solid waste collection and disposal services as described in section 297A.45;*

(viii) *the furnishing for consideration of space or services for the storage of yachts, ships, boats, or other watercraft, including charges for slip and marina rental, boat docking, and similar services;*

(ix) *the furnishing for consideration of lodging, board and care services for animals in kennels, stables, and other similar arrangements, but excluding veterinary services and services provided for animals primarily used for agricultural purposes or for racing;*

(x) *furniture refinishing and reupholstery services; and*

(xi) *services provided for the purpose of inducing weight loss, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or from a licensed health care professional who is not employed by and has no financial interest in the provider of the service.*

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; and

(vii) solid waste collection and disposal services as described in section 297A.45;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 2. Minnesota Statutes 1990, section 297A.01, subdivision 4, is amended to read:

Subd. 4. A "retail sale" or "sale at retail" means a sale for any purpose other than resale in the regular course of business. Property utilized by the owner only by leasing such property to others or by holding it in an effort to so lease it, and which is put to no use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale. Master computer software programs that are purchased and used to make copies for sale or lease are considered property purchased for resale.

Sales of building materials, supplies and equipment to owners, contractors, subcontractors or builders for the erection of buildings or the alteration, repair or improvement of real property are "retail sales" or "sales at retail" in whatever quantity sold and whether or not for purpose of resale in the form of real property or otherwise. A sale of carpeting, linoleum, or other similar floor covering which includes installation of the carpeting, linoleum, or other similar floor covering is a contract for the improvement of real property. *A sale of shrubbery, plants, sod, trees, and similar items that includes installation of the shrubbery, plants, sod, trees, and similar items is a contract for the improvement of real property.* Aircraft and parts for the repair thereof purchased by a nonprofit, incorporated flying club or association utilized solely by the corporation by leasing such aircraft to shareholders of the corporation shall be considered property purchased for resale. The leasing of the aircraft to the shareholders by the flying club or association shall be considered a sale.

Leasing of aircraft utilized by a lessee for the purpose of leasing to others, whether or not the lessee also utilizes the aircraft for flight instruction where no separate charge is made for aircraft rental or for charter service, shall be considered a purchase for resale; provided, however, that a proportionate share of the lease payment reflecting use for flight instruction or charter service is subject to tax pursuant to section 297A.14.

Sec. 3. Minnesota Statutes 1990, section 297A.25, subdivision 9, is amended to read:

Subd. 9. [MATERIALS CONSUMED IN PRODUCTION.] The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced are exempt. *Seeds, trees, fertilizers, and herbicides purchased for use by farmers in the Conservation Reserve Program under United States Code, title 16, section 590h, the Integrated Farm Management Program under section 1627 of Public Law Number 101-624, the Wheat and Feed Grain Programs under sections 301 to 305 and 401 to 405 of Public Law Number 101-624, and the conservation reserve program under sections 103F.505 to 103F.531, are included in this exemption.* Chemicals used for cleaning food processing machinery and equipment are included in this exemption. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included

within the exemption provided herein. Electricity used to make snow for outdoor use for ski hills, ski slopes, or ski trails is included in this exemption.

Sec. 4. Minnesota Statutes 1990, section 297A.25, subdivision 10, is amended to read:

Subd. 10. [PUBLICATIONS; *PUBLICATION MATERIALS.*] The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication are exempt. For purposes of this subdivision, "publication" as used herein shall include, without limiting the foregoing, a ~~legal~~ *qualified* newspaper as defined by section ~~331.02~~ *331A.02*, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals ~~sold over the counter~~. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt.

Sec. 5. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

*Subd. 46. [SACRAMENTAL WINE.] The gross receipts from the sale of wine for sacramental purposes in religious ceremonies, as described in section 340A.316, are exempt if the wine is purchased from a nonprofit religious organization meeting the requirements of subdivision 16 or from the holder of a sacramental wine license as provided in section 340A.316.*

Sec. 6. 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) An amount equal to, for fiscal year 1992, 42.8 percent, and, for fiscal years after 1992, 39 percent of all revenues, not including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44, less the amounts credited under paragraphs (b), (c), and (d), shall be deposited by the commissioner in the property tax relief account in the general fund to be used exclusively to pay aids to local units of government as provided in article 1, section 2.*

Sec. 7. Laws 1980, chapter 511, section 1, subdivision 2, is amended to read:

Subd. 2. Notwithstanding Minnesota Statutes, Section 477A.01, Subdivision 18, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one percent on sales transactions which are described in Minnesota Statutes, Section 297A.01, Subdivision 3, Clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. ~~The tax imposed pursuant to this subdivision shall terminate no later than December 31, 1992.~~

Sec. 8. Laws 1986, chapter 462, section 31, is amended to read:

Sec. 31. [AUTHORITY FOR TAXATION.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city of St. Paul may impose, by ordinance, a tax, at a rate not greater than ~~two~~ three percent, on the gross receipts from the furnishing for consideration of lodging at a hotel, rooming house, tourist court, motel, or resort, other than the renting or leasing of space for a continuous period of 30 days or more. The tax does not apply to the furnishing of lodging by a business having less than 50 lodging rooms. The tax shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues generated by this tax shall be used to fund a convention bureau to market and promote the city as a tourist or convention center.

Sec. 9. Laws 1990, chapter 604, article 6, section 9, subdivision 1, is amended to read:

Sec. 9. [BLOOMINGTON LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in Laws 1986, chapter 391, section 4, the governing body of the city of Bloomington may impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming

house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. The proceeds of the tax must be used to promote the metropolitan sports area defined in Minnesota Statutes, section 473.551, subdivision 5 by the Bloomington convention bureau only to market and promote the city as a tourist or convention center. If the duties of the convention bureau as they existed on January 1, 1991, are assigned to another agency, the tax shall cease.

*Subd. 1a.* [LOCAL APPROVAL.] *Subdivision 1 takes effect the day after the governing body of the city of Bloomington complies with Minnesota Statutes, section 645.021, subdivision 3.*

#### Sec. 10. [CITY OF MANKATO; SALES TAX.]

*Subdivision 1.* [SALES TAX AUTHORIZED.] *Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.*

*Subd. 2.* [EXCISE TAX.] *Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.*

*Subd. 3.* [USE OF REVENUES.] *Revenues received from taxes authorized by subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing and operating facilities as part of an urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of Riverfront 2000 and related facilities, and securing or paying debt service on bonds or other obligations issued to finance the construction of Riverfront 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related facilities" means a civic-convention center, an arena, a riverfront park, and all publicly owned real or personal property that the governing body of the city determines will be necessary to facilitate the use of these facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and landscaping.*

*Subd. 4.* [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] *The authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax shall expire when the principal and interest on any bonds or obligations issued to finance construction of Riverfront 2000 and related facilities have been paid or at an earlier time as the city shall, by ordinance, determine. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues received from the taxes authorized by subdivisions 1 and 2, excluding investment earnings on bond proceeds and revenues, shall not exceed \$25,000,000 for Riverfront 2000 and related facilities.*

*Subd. 5. [BONDS.] The city of Mankato may issue general obligation bonds of the city in an amount not to exceed \$25,000,000 for Riverfront 2000 and related facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to pay them. The debt represented by bonds issued for Riverfront 2000 and related facilities shall not be included in computing any debt limitations applicable to the city of Mankato, and the levy of taxes required by section 475.61 to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.*

*Subd. 6. [REFERENDUM.] An ordinance or other action under this section is subject to any provision of the Mankato city charter requiring a popular vote, to the same extent as other ordinances or actions.*

*Subd. 7. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] A sales tax imposed under this section shall be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect state-wide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.*

*Subd. 8. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato, provided that the tax must be imposed and its rate fixed before December 31, 1992.*

#### **Sec. 11. [WINONA LODGING TAX.]**

*Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in section 469.190, the city of Winona may, by ordinance, impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. The city may, by ordinance, impose the tax authorized under this section on the camping site receipts of a municipal campground.*

*Fifty percent of the proceeds of this tax shall be used to retire the indebtedness of the Julius C. Wilke Steamboat Center and the balance shall be used in the manner directed in Minnesota Statutes, section 469.190, subdivision 3. Upon retirement of the debt, the council shall by ordinance reduce the tax by one-half percent or dedicate the entire one percent in the manner directed in section 469.190, subdivision 3.*

*The tax shall be collected in the same manner as other taxes authorized under Minnesota Statutes, section 469.190.*

*Subd. 2. [LOCAL APPROVAL.] Subdivision 1 takes effect the day after the governing body of the city of Winona complies with Minnesota Statutes, section 645.021, subdivision 3.*

#### **Sec. 12. [REFUNDS.]**

*No refunds may be paid under section 3 or 5 unless the claimant can demonstrate to the commissioner of revenue that the refunds will be paid*



to those who paid the tax.

Sec. 13. [ROCHESTER USE TAX COLLECTIONS.]

*No use tax may be imposed by the city of Rochester or collected by the department of revenue on behalf of the city of Rochester beginning the day following final enactment of this act. No refunds of previously collected use tax are required to be paid by the city of Rochester.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 1, 2, and 4 are effective for sales after June 30, 1991. Section 3 is effective for sales after December 31, 1988. Section 5 is effective for sales of wine after December 31, 1987. Section 7 is effective the day after approval in compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city council of Duluth. Sections 8 and 12 are effective the day following final enactment. Section 13 is effective June 1, 1991.*

## ARTICLE 9

### MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 69.021, subdivision 2, is amended to read:

Subd. 2. [REPORT OF PREMIUMS.] Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, and sprinkler leakage, and extended coverage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multiperil and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall contain a true and accurate statement of the total premiums, less return premiums and dividends, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause (f), except that domestic mutual insurance companies must not file a report.

Sec. 2. Minnesota Statutes 1990, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The total amount for apportionment in respect to police state aid shall not be greater or lesser

than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. *The total amount for apportionment in respect to firefighters state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.* The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 3. Minnesota Statutes 1990, section 270.60, is amended to read:  
270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the ~~Indian residents of~~ *total resident Indian population on or adjacent* to a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes. *The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force.*

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 4. Minnesota Statutes 1990, section 287.22, is amended to read:  
287.22 [EXCEPTIONS.]

The tax imposed by section 287.21 shall not apply to:

A. Any executory contract for the sale of land under which the vendee is entitled to or does take possession thereof, or any assignment or cancellation thereof.

B. Any mortgage or any assignment, extension, partial release, or satisfaction thereof.

C. Any will.

D. Any plat.

E. Any lease.

F. Any deed, instrument, or writing in which the United States or any agency or instrumentality thereof is the grantor, assignor, transferor, conveyer, grantee or assignee.

G. Deeds for cemetery lots.

H. Deeds of distribution by personal representatives.

I. Deeds to or from coowners partitioning undivided interests in the same piece of property.

*J. Any deed or other instrument of conveyance issued pursuant to a land exchange under section 92.121 and related laws.*

Sec. 5. Minnesota Statutes 1990, section 289A.18, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS.] The returns required to be made under sections 289A.08 and 289A.12 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the 15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the month in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year; ~~and~~

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year; *and*

*(8) returns required to be filed under section 289A.08, subdivision 4,*

*must be filed on the 15th day of the fifth month following the close of the taxable year.*

Sec. 6. Minnesota Statutes 1990, section 289A.26, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM LIABILITY.] A corporation subject to taxation under chapter 290 (excluding section 290.92) or an entity subject to taxation under section 290.05, subdivision 3, must make payment of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted under section 289A.08, subdivision 3.

Sec. 7. Minnesota Statutes 1990, section 289A.26, subdivision 6, is amended to read:

Subd. 6. [PERIOD OF UNDERPAYMENT.] The period of the underpayment runs from the date the installment was required to be paid to the earlier of the following dates:

(1) the 15th day of the third month following the close of the taxable year for corporations, and the 15th day of the fifth month following the close of the taxable year for entities subject to tax under section 290.05, subdivision 3; or

(2) with respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax shall be credited against unpaid required installments in the order in which those installments are required to be paid.

Sec. 8. Minnesota Statutes 1990, section 289A.39, subdivision 1, as amended by Laws 1991, chapter 18, section 2, 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 the filing of petitions under chapter 278 that would otherwise be due May 15, 1991, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, as provided in section 7508 of the Internal Revenue Code of 1986, as amended through 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. 9. Minnesota Statutes 1990, section 297.07, subdivision 5, is amended to read:

Subd. 5. [OFFSET.] Upon audit, if a distributor's return reflects an overage *resulting from an inventory counting error*, the overage shall be offset against a shortage, if any, in the month immediately preceding the month of the overage. If any overage remains after that offset, the remainder may only be offset against a shortage, if any, in the month immediately following the month of the overage. *If the commissioner determines that an overage is attributable to a mistake by the distributor other than an inventory counting error, the commissioner may permit the overage to be offset against a shortage in any month or months during the 12-month period immediately following the month when the overage was discovered upon audit.*

Sec. 10. Minnesota Statutes 1990, section 469.167, subdivision 2, is amended to read:

Subd. 2. [DURATION.] The designation of an area as an enterprise zone shall be effective for seven years after the date of designation, except that enterprise zones in border cities eligible to receive allocations for tax reductions under section 469.169, subdivisions 7 and 8, and under section 469.171, subdivision 6a or 6b, shall be effective until these allocations have been expended.

Sec. 11. Minnesota Statutes 1990, section 469.171, is amended by adding a subdivision to read:

*Subd. 6b. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reduction authorized under section 469.169, subdivisions 7 and 8, and under subdivision 6a, the commissioner may allocate \$1,000,000 for tax reductions as provided in this section to enterprise zones designated under section 469.168, subdivision 4, paragraph (c), except for zones located in cities of the first class. The money shall be allocated among the zones on a per capita basis. Limits on the maximum allocation to a zone imposed by section 469.169, subdivision 7, do not apply to allocations made under this subdivision.*

Sec. 12. Laws 1988, chapter 719, article 16, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

- (1) snow and ice removal;
- (2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;
- (3) litter, poster, and handbill removal;
- (4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, *parking facilities*, lighting, benches, chairs, tables, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, display cases, information booths, and banners;
- (5) landscaping, planting, repair, maintenance, and care of trees, shrubs,

bushes, flowers, grass, and other decorative materials;

- (6) security personnel, equipment, and systems;
- (7) approval and supervision of special activities;
- (8) insurance; and
- (9) administration, coordination, studies, and preparation of designs.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Sec. 13. [CITY OF CROOKSTON SPECIAL SERVICES DISTRICT.]

*Subdivision 1. [DEFINITION.] For the purposes of this section, "special services" means all services rendered or contracted for by the city of Crookston, including, but not limited to:*

- (1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;*
- (2) parking services rendered or contracted for by the city; and*
- (3) any other service or improvement provided by the city or development authority that is authorized by law or charter.*

*Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] The governing body of the city of Crookston may adopt an ordinance establishing a special service district to be operated by the city of Crookston. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.*

*Subd. 3. [LOCAL APPROVAL.] This section is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Crookston.*

Sec. 14. [DEPARTMENT OF REVENUE; APPROPRIATION.]

*\$76,000 is appropriated from the general fund to the commissioner of revenue for purposes of preparing the income tax samples under Minnesota Statutes, section 270.0681.*

Sec. 15. [ENTERPRISE ZONE FUNDING; APPROPRIATION.]

*\$1,000,000 is appropriated to the commissioner of trade and economic development to be used to provide additional enterprise zone allocations for tax reductions under section 11.*

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective for aids payable in 1991. Sections 4, 8, and 9 are effective the day following final enactment. Sections 5, 6, and 7 are effective for taxable years beginning after December 31, 1990. Section 12 takes effect the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3."*

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; providing for and modifying the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to

local governments; reducing the amount in the budget and cash flow reserve account; creating a property tax relief account; establishing programs to provide incentives for local government service sharing and mergers; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 13.51, by adding a subdivision; 13.54, by adding a subdivision; 16A.15, subdivision 6; 69.021, subdivisions 2 and 5; 270.60; 272.02, subdivision 1; 273.11, subdivision 1, and by adding a subdivision; 273.124, subdivisions 7 and 9; 273.13, subdivisions 22 and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1398, subdivisions 1, 3, and 5; 275.065, subdivisions 3, 5a, and 6; 275.07, subdivision 3; 275.50, subdivisions 5 and 5a; 287.22; 289A.18, subdivision 1; 289A.26, subdivisions 1 and 6; 289A.39, subdivision 1, as amended; 290.05, subdivision 1; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.091, subdivisions 1 and 2; 290.191, subdivision 4; 290.923, by adding a subdivision; 290A.04, subdivision 2h; 297.07, subdivision 5; 297A.01, subdivisions 3 and 4; 297A.25, subdivisions 9, 10, and by adding a subdivision; 297A.44, subdivision 1; 469.167, subdivision 2; 469.171, by adding a subdivision; 477A.011, subdivision 27, as amended, and by adding subdivisions; 477A.012, subdivision 1, as amended, and by adding subdivisions, 477A.013, subdivisions 1, as amended, and 3, as amended, and by adding subdivisions; 477A.014, subdivision 1, as amended, and by adding a subdivision; 477A.015; and 477A.03, subdivision 1; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1988, chapter 719, article 16, section 1, subdivision 3; Laws 1989, First Special Session chapter 1, article 5, section 50; Laws 1990, chapter 604, articles 3, section 46, subdivision 1; and 6, section 9, subdivision 1; and Laws 1991, chapter 2, article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 16A, 273, and 465."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 745, 511, 351, 526, 760, 362, 467 and 1009 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 887, 424, 154, 345, 716, 551, 1475, 1025, 1310, 525, 1066, 693, 1542, 1039, 1371, 1151, 654 and 425 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Vickerman introduced—

Senate Resolution No. 66: A Senate resolution commemorating the centennial of Murray Lodge No. 199, Slayton, Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Cohen introduced—

Senate Resolution No. 67: A Senate resolution congratulating the Sholom Home on its new facility, the Joseph and Blanche Numero Sholom Home

West.

Referred to the Committee on Rules and Administration.

Mr. Luther moved that S.F. No. 511, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Belanger moved that S.F. No. 327, No. 28 on General Orders, be stricken and returned to its author. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 449 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Was read the third time 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	Kelly	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	Olson	Spear
Berg	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Halberg	Luther	Piper	Traub
Brataas	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	McGowan	Price	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Merriam	Reichgott	
Day	Johnston	Metzen	Renneke	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 954 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 861 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 806 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 86 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Mr. Neuville moved to amend S.F. No. 86 as follows:

Page 2, line 15, after "*teacher*" insert "*or the school board*"

Page 2, line 30, delete "A" and insert "*If the school board proposes*"

Page 2, line 31, delete "*teacher whose*" and delete "*is proposed*" and insert "*of a teacher*"

Page 2, line 32, delete "*whose*" and delete "*is*"

Page 2, line 33, delete "*proposed*" and insert "*of a teacher*" and after the comma, insert "*the teacher or the school board*"

Page 3, after line 6, insert:

*"If a hearing is requested by the teacher, the school board may determine that the hearing be before an arbitrator. The school board shall notify the teacher of its determination to have the hearing before an arbitrator within 14 days after receiving a request for a hearing from a teacher whose termination is proposed on grounds specified in subdivision 6 or within ten days after receiving a request for a hearing from a teacher whose discharge is proposed under subdivision 8.*

*A hearing shall be before an arbitrator if the teacher requests a hearing before an arbitrator or if the school board makes a determination to have the hearing before an arbitrator."*

Page 4, line 19, after "*teacher*" insert "*or the school board*"

Page 4, line 31, delete "A" and insert "*If the school board files charges against a*"

Page 4, line 32, delete "*against whom charges have been filed*"

Page 4, line 34, after the fourth comma, insert "*the teacher or the school board*"

Page 5, after line 5, insert:

*"If a hearing is requested by the teacher, the school board may determine that the hearing be before an arbitrator. The school board shall notify the teacher of its determination to have the hearing before an arbitrator within ten days of receiving a request for a hearing from the teacher.*

*A hearing shall be before an arbitrator if the teacher requests a hearing before an arbitrator or if the school board makes a determination to have the hearing before an arbitrator."*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Halberg	Mehrkens	Renneke
Benson, D.D.	Brataas	Hottinger	Neuville	Storm
Benson, J.E.	Day	Johnston	Olson	
Berg	Frederickson, D.R.	Laidig	Pariseau	

Those who voted in the negative were:

Adkins	Finn	Langseth	Morse	Samuelson
Beckman	Flynn	Lessard	Novak	Solon
Berglin	Frank	Luther	Piper	Spear
Bertram	Frederickson, D.J.	Marty	Pogemiller	Stumpf
Chmielewski	Johnson, D.E.	McGowan	Price	Traub
Dahl	Johnson, D.J.	Merriam	Ranum	Vickerman
Davis	Johnson, J.B.	Metzen	Reichgott	
DeCramer	Knaak	Moe, R. D.	Riveness	
Dicklich	Kroening	Mondale	Sams	

The motion did not prevail. So the amendment was not adopted.

Ms. Ranum moved to amend S.F. No. 86 as follows:

Pages 8 and 9, delete section 7

The motion prevailed. So the amendment was adopted.

S.F. No. 86 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kelly	Metzen	Riveness
Beckman	DeCramer	Knaak	Moe, R.D.	Sams
Belanger	Dicklich	Kroening	Mondale	Samuelson
Benson, D.D.	Finn	Laidig	Morse	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	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	McGowan	Price	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Merriam	Reichgott	

Those who voted in the negative were:

Berg	Halberg	Johnston	Neuville	Renneke
Day				

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1231 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Mr. Sams moved to amend S.F. No. 1231 as follows:

Page 2, line 11, delete "four" and insert "eight" and delete "annually"

Page 2, line 12, after "services" insert "reviewed by the state advisory council on mental health and then"

Page 2, after line 12, insert:

"(2) every person who will be providing the first telephone contact will annually receive at least four hours of continued training on emergency mental health services reviewed by the state advisory council on mental health and then approved by the commissioner;"

Page 2, lines 17 and 20, delete "services" and insert "service"

Page 2, line 19, delete "and"

Page 2, line 21, before the period, insert "; and"

(6) the local social service agency describes how it will comply with paragraph (d)"

Reorder the clauses in sequence

Page 3, line 20, delete "four" and insert "eight" and delete "annually"

Page 3, line 21, after "services" insert "reviewed by the state advisory council on mental health and then"

Page 3, after line 21, insert:

"(2) every person who will be providing the first telephone contact will annually receive at least four hours of continued training on emergency

*mental health services reviewed by the state advisory council on mental health and then approved by the commissioner;"*

Page 3, lines 26 and 29, delete "services" and insert "service"

Page 3, line 28, delete "and"

Page 3, line 30, before the period, insert "; and

*(6) the local social service agency describes how it will comply with paragraph (d)"*

Renumber the clauses in sequence

Page 3, line 33, after "available" insert "on call" and after "for" insert "an emergency assessment and crisis intervention services, and must be available for"

The motion prevailed. So the amendment was adopted.

S.F. No. 1231 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Mehrkens	Renneke
Beckman	Davis	Johnson, D.J.	Metzen	Riveness
Belanger	Day	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	DeCramer	Johnston	Mondale	Samuelson
Benson, J.E.	Finn	Knaak	Morse	Solon
Berg	Flynn	Kroening	Neuville	Spear
Berglin	Frank	Laidig	Novak	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pogemiller	Traub
Bertram	Frederickson, D.R.	Luther	Price	Vickerman
Brataas	Hottinger	McGowan	Ranum	Waldorf

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

## RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

## CALL OF THE SENATE

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1535 be taken from the table. The motion prevailed.

S.F. No. 1535: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating the higher education board; merging the state university, community

college, and technical college systems; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; 179A.10, subdivision 2; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; 136E; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

Mr. Stumpf moved to amend S.F. No. 1535 as follows:

Page 2, line 3, delete:

“General                    \$ 972,187,000   \$ 943,073,000   \$1,915,260,000”

and insert:

“General                    \$ 979,288,000   \$ 960,972,000   \$1,940,260,000”

Page 2, line 8, delete:

“107,975,000      131,918,000      239,893,000”

and insert:

“108,023,000      131,166,000      239,189,000”

Page 2, line 10, delete:

“158,990,000      146,788,000      305,778,000”

and insert:

“161,625,000      152,863,000      314,488,000”

Page 2, line 12, delete:

“94,506,000      88,881,000      183,387,000”

and insert:

“95,350,000      89,661,000      185,011,000”

Page 2, line 14, delete:

“173,180,000      156,812,000      329,992,000”

and insert:

“173,180,000      160,112,000      333,292,000”

Page 2, line 16, delete:

“435,551,000      417,718,000      853,269,000”

and insert:

“439,125,000      426,214,000      865,339,000”

Page 2, line 28, delete:		
“Appropriation	107,975,000	131,918,000”
and insert:		
“Appropriation	108,023,000	131,166,000”
Page 2, line 33, delete:		
“3,407,000	3,400,000”	
and insert:		
“3,455,000	3,448,000”	
Page 4, line 21, delete:		
“89,281,000	114,381,000”	
and insert:		
“89,281,000	113,581,000”	
Page 5, line 30, delete:		
“Appropriation	158,990,000	146,788,000”
and insert:		
“Appropriation	161,625,000	152,863,000”
Page 6, line 4, delete:		
“Appropriation	94,506,000	88,881,000”
and insert:		
“Appropriation	95,350,000	89,661,000”
Page 6, line 36, delete:		
“Appropriation	173,180,000	156,812,000”
and insert:		
“Appropriation	173,180,000	160,112,000”
Page 7, line 13, delete:		
“Appropriation	435,551,000	417,718,000”
and insert:		
“Appropriation	439,125,000	426,214,000”
Page 7, line 18, delete:		
“Maintenance	354,859,000	337,026,000”

and insert:

“Maintenance 358,433,000 345,522,000”

Page 32, line 32, delete “act” and insert “article”

Page 33, line 3, delete “act” and insert “article”

The motion prevailed. So the amendment was adopted.

S.F. No. 1535 was read the third time, as amended, and placed on its final passage.

### CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1535. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Metzen	Samuelson
Beckman	Dicklich	Kroening	Moe, R.D.	Solon
Berghin	Frederickson, D.J.	Langseth	Pappas	Spear
Bertram	Frederickson, D.R.	Lessard	Piper	Stumpf
Brataas	Hughes	Luther	Ranum	Traub
Chmielewski	Johnson, D.J.	Marty	Reichgott	Vickerman
Cohen	Johnson, J.B.	Merriam	Sams	Waldorf

Those who voted in the negative were:

Belanger	Davis	Hottinger	Mehrkens	Pariseau
Benson, D.D.	Day	Johnson, D.E.	Mondale	Pogemiller
Benson, J.E.	Finn	Johnston	Morse	Price
Berg	Flynn	Knaak	Neuville	Renneke
Bernhagen	Frank	Laidig	Novak	Riveness
Dahl	Gustafson	McGowan	Olson	Storm

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 467 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 467: A bill for an act relating to education; providing for revenue for general education, transportation, special programs, community education, facilities, equipment, cooperation, libraries, state education agencies, Faribault academies, center for arts education, and other purposes; establishing a learning readiness program; altering the operations of regional education organizations; providing for teacher rights in certain circumstances; imposing duties on certain state agencies; requiring a report; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.17, subdivisions 7a, 11a, 12, and by adding a subdivision; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.14; 121.165; 121.49, subdivision 1; 121.608; 121.609, subdivisions 1, 2, and 3; 121.612, subdivision 9; 121.88, subdivision 10; 121.882, by adding a subdivision; 121.904, subdivisions



4a and 4e; 121.912, by adding a subdivision; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, by adding a subdivision; 122.41; 122.531, by adding a subdivision; 122.535, subdivision 6; 122.541, subdivision 7; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivision 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 4, 8, and by adding subdivisions; 123.40, by adding a subdivision; 123.58, by adding subdivisions; 123.706, subdivisions 3 and 6; 123.707, subdivisions 1 and 2; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.223, subdivision 1; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.276, subdivision 4; 124.32, subdivisions 1b and 10; 124.431, subdivision 7, and by adding a subdivision; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, 4, and by adding a subdivision; 124.646, subdivision 1, and by adding a subdivision; 124.6472, subdivision 1; 124.83, subdivisions 3 and 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, and 9; 124A.23, subdivision 1; 124A.24; 124A.26, subdivision 1; 124B.03, subdivision 2; 124C.03, subdivision 16; 125.09, subdivision 4; 126.113, subdivisions 1 and 2; 126.22, subdivisions 2, 3, 4, and 8; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivisions 1 and 2; 126.70, subdivisions 1 and 2a; 128A.02, subdivision 4; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, and 4a; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 268.08, subdivision 6; 272.02, subdivision 8; 273.1398, subdivision 6; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 364.09; and 631.40; Laws 1989, chapter 329, articles 6, section 53, as amended, and 9, section 35; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 124C; 125; 126; 127; 128B; 129C; 134; 136D; and 181A; repealing Minnesota Statutes, sections 3.865; 3.866; 120.104; 121.11; 121.15, subdivision 10; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.91, subdivision 7; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.701; 123.702; 123.704; 123.706, subdivision 3a; 123.707, subdivision 3; 123.73; 124.17, subdivision 1b; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.331; 124.332; 124.333; 124.48, subdivision 2; 124.493, subdivision 2; 124.575, subdivision 3a; 124A.02, subdivision 19; 124A.04, subdivision 1; 124C.02; 124C.41, subdivision 7; 125.231; 128B.01; 128B.03, subdivisions 3 and

8; 128B.07; 128B.10, subdivisions 2 and 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivisions 2 and 3; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, 8d, and 8e.

Mr. Dicklich moved to amend S.F. No. 467 as follows:

Page 18, line 9, delete "\$923,500,000" and insert "\$897,000,000"

Page 23, line 26, before "property" insert "total" and delete "payable for" and insert "paid in" and before "year" insert "fiscal"

Page 23, line 27, delete "before" and insert "in which"

Page 23, line 28, delete everything after "reduced" and insert "according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance"

Page 23, line 29, delete everything before "for"

Page 23, after line 29, insert:

"Sec. 26. [LEVY RECOGNITION DIFFERENCES.]

*For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:*

*(a) the total amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1992 according to section 1; and*

*(b) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1992 had the percentage according to section 1 not been increased.*

*The commissioner shall reduce other aids due the district by the amount of the difference. The total reduction is transferred to the appropriation for general and supplemental education aid in this article."*

Page 23, line 36, delete "\$1,632,529,000" and insert "\$1,631,842,000"

Page 24, line 1, delete "\$1,724,259,000" and insert "\$1,729,899,000"

Page 24, line 3, delete "\$1,385,226,000" and insert "\$1,384,539,000"

Page 24, line 5, delete "\$1,466,496,000" and insert "\$1,472,136,000"

Page 24, line 7, delete "section" and insert "sections 122.531, subdivision 5, and"

Page 24, line 8, delete "is" and insert "are" and delete everything after "repealed" and insert a period

Page 24, line 9, delete everything before "Sections"

Re-number the sections of article 1 in sequence and correct the internal references

Page 46, line 13, delete "subdivision 3" and insert "subdivisions 1 and 2"

Page 75, line 32, delete "\$93.50" and insert "\$89.25" and delete "\$100" and insert "\$93"

Page 76, line 18, delete "*for fiscal*"

Page 76, delete line 19

Page 82, line 28, delete "\$ 7,199,000" and insert "\$6,731,000"

Page 82, line 29, delete "\$ 7,446,000" and insert "\$7,065,000"

Page 82, line 31, delete "\$6,438,000" and insert "\$5,970,000"

Page 82, line 32, delete "\$1,136,000" and insert "\$1,053,000"

Page 82, line 33, delete "\$6,310,000" and insert "\$6,012,000"

Page 83, line 17, delete "\$12,384,000" and insert "\$11,413,000"

Page 83, line 18, delete "\$12,631,000" and insert "\$12,020,000"

Page 83, line 20, delete "\$10,835,000" and insert "\$9,864,000"

Page 83, line 21, delete "\$1,912,000" and insert "\$1,741,000"

Page 83, line 22, delete "\$10,719,000" and insert "\$10,279,000"

Page 91, line 19, delete "\$72,496,000" and insert "\$73,428,000"

Page 91, line 23, delete "\$61,508,000" and insert "\$62,440,000"

Page 91, line 28, delete "\$36,247,000" and insert "\$36,713,000"

Page 91, line 32, delete "\$30,754,000" and insert "\$31,220,000"

Page 93, line 8, delete "*the day following final enactment*" and insert "*for revenue for fiscal year 1994*"

Page 123, line 27, delete everything after the period and insert "*The amount of aid withheld may be used by the department to make aid payments to member districts. The remaining aid shall be transferred to the appropriation for general education and supplemental aid in article 1.*"

Page 123, delete lines 28 and 29

Pages 125 to 127, delete sections 1 and 2

Page 129, line 8, after "*a*" insert "*comprehensive plan to coordinate*" and delete "*service plan*" and insert "*services*"

Page 129, line 13, delete everything after "*the*" and insert "*child*"

Page 129, line 14, delete "*development*"

Page 129, line 25, delete everything after "*child*" and insert a semicolon

Page 129, delete line 26

Page 130, delete line 1 and insert:

*"(6)efforts to expand collaboration with public organizations, businesses, nonprofit organizations, and other private organizations"*

Page 130, line 2, delete "*private collaboration*"

Page 130, line 6, after "*identified*" insert "*physical and mental*"

Page 130, line 16, delete the first "*or*" and insert "*organization, nonprofit organization, or other*"

Page 130, line 19, delete "*to*"

Page 130, line 24, delete "*maximize*" and insert "*optimize*"

Page 130, line 34, delete "PARTICIPATION ENCOURAGED" and insert "PRIORITY CHILDREN"

Page 130, line 35, delete everything before "eligible" and insert "give priority to providing services to"

Page 131, delete lines 10 to 13 and insert:

*"Subd. 10. [SUPERVISION.] A program provided by a district shall be supervised by a licensed teacher who must be on the premises of the program. A licensed teacher is not required to be present during the time children and their parents are participating in the program. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised according to the terms of the contract.*

*Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program."*

Page 131, line 17, delete everything after "to" and insert "enable eligible children of all socioeconomic levels to participate in the program."

Page 131, delete line 18

Page 131, line 19, after "or" insert "an"

Page 131, line 20, delete "the" and insert "a"

Renumber the subdivisions in sequence

Page 131, after line 31, insert:

*"(3) comments about the district's proposed program by the advisory council required by section 6, subdivision 7; and"*

Page 131, line 32, delete "(3)" and insert "(4)" and delete the semicolon and insert a period

Page 131, delete lines 33 to 36

Page 132, delete line 1

Page 132, line 25, after "used" insert "only"

Page 132, delete lines 33 to 36

Page 133, delete lines 1 and 2

Page 135, after line 14, insert:

**"Sec. 13. [LEARNING READINESS PROGRAM REPORT.]**

*Each school district receiving learning readiness aid shall report to the commissioner of education by January 1 of 1992 and 1993 about the types of services provided through the program, progress made by participating children, the number of participating children receiving services without charge, the number of participating children paying reduced fees, the number of participating children paying the full fee, total expenditures for services, and the amount of money and in-kind services received from public or private organizations. A district shall report actual information to the extent the information is available, and estimated or expected information, if necessary."*

Page 135, after line 35, insert:

*"Any excess appropriations from fiscal year 1992 shall be allocated*

*among school districts providing learning readiness programs according to the proportion of aid determined under section 7, subdivision 2, for a school district to the amount of aid determined under section 7, subdivision 2, for all school districts providing learning readiness programs. The total amount of aid paid to a school district shall not exceed \$2,000 per participating eligible child."*

Page 136, delete lines 23 to 35

Renumber the subdivisions in sequence

Page 137, line 4, delete "\$5,200,000" and insert "\$2,000,000"

Page 137, line 14, delete "in fiscal year 1992 and up to \$430,000" and insert "each year"

Page 137, line 15, delete "in fiscal year 1993"

Page 137, line 17, delete "in fiscal year 1992 and up to \$550,000" and insert "each year"

Page 137, line 18, delete "in fiscal year 1993"

Page 137, line 22, delete "in fiscal year 1992 and up to \$920,000" and insert "each year"

Page 137, line 23, delete "in fiscal year 1993"

Page 137, line 28, delete "\$3,300,000" and insert "\$950,000"

Renumber the sections of article 7 in sequence and correct the internal references

Page 141, line 19, delete "30" and insert "15"

Page 144, after line 24, insert:

"Sec. 11. Minnesota Statutes 1990, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, ~~unless~~. *The commissioner shall prescribe the form and calculation to be used in computing the excess amount.* The school board ~~determines that may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to~~ *The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.*

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared."

Page 144, line 26, delete "*In fiscal year*" and insert "*On June 30,*"

Page 144, line 32, delete "*By December 1, 1992,*"

Page 144, line 35, delete "*By January 15, 1992,*"

Renumber the sections of article 8 in sequence and correct the internal references

Page 153, line 23, delete "*school district*" and after "*grant*" insert "*to independent school district No. 281*"

Page 153, line 27, delete "*the*" and insert "*independent*" and after "*district*" insert "*No. 281*"

Page 209, line 35, delete "*I,*"

Page 210, line 1, after the period, insert "*Section 1, paragraphs (b) and (c), are effective retroactively to December 1, 1990.*"

Page 224, after line 1, insert:

"Sec. 14. Minnesota Statutes 1990, section 128A.05, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE ADMISSIONS.] An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The ~~commissioner~~ *state board of education* must ~~get reimbursed~~ *obtain reimbursement* from the other state for the costs of the out-of-state admission. The ~~commissioner~~ *state board* may ~~make~~ *enter into* an agreement with the appropriate authority in the other state to ~~get reimbursed for the reimbursement.~~ Money received from another state must be ~~paid to the state treasurer and deposited by the treasurer~~ *deposited in the general fund and credited to the general operating account of the academies. The money is appropriated to the academies.*"

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Dicklich imposed a call of the Senate for the balance of the proceedings on S.F. No. 467. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Price moved to amend S.F. No. 467 as follows:

Page 24, line 7, delete "*section*" and insert "*sections*"

Page 24, line 8, delete "*is*" and insert "*and 124A.22, subdivision 2a,*"

are”

The motion did not prevail. So the amendment was not adopted.

Mr. Belanger moved to amend S.F. No. 467 as follows:

Page 153, delete lines 22 to 36

Page 154, delete lines 1 to 3

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend S.F. No. 467 as follows:

Pages 105 to 107, delete section 25

Page 112, after line 28, insert:

“Sec. 35. Minnesota Statutes 1990, section 136D.27, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to ~~each participating school district~~ *the county auditor* tax levies that shall not in any year exceed the greater of:

(a) the amount of levy certified for taxes payable in 1989; or

(b) the lesser of (1) \$60 times the actual pupil units in the participating district for the fiscal year to which the levy is attributable, or (2) ~~4.1~~ 1.43 percent of adjusted ~~gross net~~ tax capacity. ~~Each participating school district shall include these tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Upon the certification, the county auditor and other appropriate county officials shall levy and collect the levies and remit the proceeds of the collections of the levies to the intermediate school district.~~ These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Five-elevenths of the proceeds of the levy must be used for special education and six-elevenths of the proceeds of the levy must be used for secondary vocational education.”

Page 117, after line 13, insert:

“Sec. 42. Minnesota Statutes 1990, section 136D.87, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to ~~each participating school district~~ *the county auditor* tax levies that shall not in any year exceed the greater of:

(a) the amount of levy certified for taxes payable in 1989; or

(b) the lesser of (1) \$60 times the actual pupil units in the participating district for the fiscal year to which the levy is attributable, or (2) ~~4.1~~ 1.43 percent of adjusted ~~gross net~~ tax capacity. ~~Each participating school district shall include these tax levies in the next tax roll which it shall certify to the county auditor or auditors and shall remit the collections of these levies to the board promptly when received. Upon the certification, the county auditor and other appropriate county officials shall levy and collect the levies and~~

*remit the proceeds of the collections of the levies to the intermediate school district. These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.*

Five-elevenths of the proceeds of the levy must be used for special education and six-elevenths of the proceeds of the levy must be used for secondary vocational education.”

Page 123, delete lines 16 to 29

Page 125, line 5, delete everything after the second semicolon

Page 125, line 6, delete everything before the second “and”

Re-number the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Halberg	Mehrkens	Pariseau	Storm
Benson, J.E.	Johnston	Metzen	Price	Traub
Bernhagen	Knaak	Mondale	Reichgott	
Day	Laidig	Novak	Renneke	
Gustafson	McGowan	Olson	Riveness	

Those who voted in the negative were:

Adkins	Davis	Hughes	Lessard	Ranum
Beckman	DeCramer	Johnson, D.E.	Luther	Sams
Benson, D.D.	Dicklich	Johnson, D.J.	Merriam	Samuelson
Berglin	Finn	Johnson, J.B.	Moe, R.D.	Solon
Bertram	Frank	Kelly	Morse	Spear
Chmielewski	Frederickson, D.J.	Kroening	Pappas	Stumpf
Cohen	Frederickson, D.R.	Langseth	Piper	Vickerman
Dahl	Hottinger	Larson	Pogemiller	Waldorf

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak then moved to amend S.F. No. 467 as follows:

Page 123, delete lines 16 to 29

Page 125, line 18, delete “25,”

Page 125, line 20, after the period, insert “*Section 25 is effective for revenue for fiscal year 1993 and thereafter.*”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Knaak	Metzen	Pariseau	Storm
Benson, J.E.	Laidig	Mondale	Price	Traub
Day	Larson	Neuville	Reichgott	
Hughes	McGowan	Novak	Renneke	
Johnston	Mehrkens	Olson	Riveness	



Those who voted in the negative were:

Adkins	Davis	Gustafson	Luther	Sams
Beckman	DeCramer	Johnson, D.E.	Merriam	Samuelson
Benson, D.D.	Dicklich	Johnson, D.J.	Moe, R.D.	Solon
Berglin	Finn	Johnson, J.B.	Morse	Spear
Bertram	Flynn	Kelly	Pappas	Stumpf
Chmielewski	Frank	Kroening	Piper	Vickerman
Cohen	Frederickson, D.J.	Langseth	Pogemiller	Waldorf
Dahl	Frederickson, D.R.	Lessard	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 467 as follows:

Page 236, line 13, after the period, insert *"If a project has been previously approved by the voters, changes in that project that do not change the total project cost do not require further voter approval."*

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 467 as follows:

Page 195, delete section 53

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	Merriam	Samuelson
Beckman	Chmielewski	Johnston	Morse	Solon
Belanger	Davis	Knaak	Neuville	Storm
Benson, D.D.	Day	Laidig	Olson	Vickerman
Benson, J.E.	Finn	Larson	Pariseau	
Berg	Frederickson, D.R.	Lessard	Pogemiller	
Bernhagen	Gustafson	McGowan	Renneke	
Bertram	Hottinger	Mehrkens	Sams	

Those who voted in the negative were:

Berglin	Frank	Kroening	Mondale	Reichgott
Cohen	Frederickson, D.J.	Langseth	Novak	Riveness
Dahl	Hughes	Luther	Pappas	Spear
DeCramer	Johnson, D.J.	Marty	Piper	Stumpf
Dicklich	Johnson, J.B.	Metzen	Price	Traub
Flynn	Kelly	Moe, R.D.	Ranum	Waldorf

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend S.F. No. 467 as follows:

Page 139, line 32, delete *"and"* and insert a comma and after *"supervisory"* insert *", and lunchroom utility"*

Page 139, lines 34 and 35, delete *"lunchroom utilities,"*

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend S.F. No. 467 as follows:

Page 165, after line 4, insert:

*"Sec. 5. Minnesota Statutes 1990, section 120.101, subdivision 5, is*

amended to read:

Subd. 5. [AGES AND TERMS.] ~~For the 1988-1989 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 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. 6. 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 the child has already completed the studies ordinarily required in the 10th grade and that for the school years beginning with the 2000-2001 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."

Page 185, after line 27, insert:

"Sec. 37. 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 school year and over 18 years of age beginning with the 2000-2001 school year~~ who, from any cause, are unable to attend the full-time elementary or secondary schools of such district."

Page 189, after line 26, insert:

"Sec. 45. 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 school year and over 18 years of age beginning with the 2000-2001 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."

Page 198, after line 20, insert:

"Sec. 61. 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 school year and under the age of 18 beginning with the 2000-2001 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."

Page 209, line 27, after "*sections*" insert "*120.105*;"

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend S.F. No. 467 as follows:

Page 78, after line 18, insert:

"Sec. 17. Minnesota Statutes 1990, section 124C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have ~~16~~ 20 to ~~18~~ 22 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

- (1) one member appointed by the commissioner of the state planning agency;
- (2) one member appointed by the commissioner of jobs and training;
- (3) one member appointed by the commissioner of human services;
- (4) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;
- (5) one member appointed by the commissioner of corrections;
- (6) one member appointed by the commissioner of education;
- (7) one member appointed by the chancellor of the state board of technical colleges;

- (8) one member appointed by the chancellor of community colleges;
- (9) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of the state planning agency;
- (10) one member appointed by the council on Black Minnesotans;
- (11) one member appointed by the Spanish-speaking affairs council;
- (12) one member appointed by the council on Asian-Pacific Minnesotans;
- (13) one member appointed by the Indian affairs council; and
- (14) one member appointed by the disability council.

Up to four additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, the commissioner of the state planning agency must appoint at least ~~two~~ *six*, but not more than ~~four~~ *eight*, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Benson, J.E. moved to amend S.F. No. 467 as follows:

Page 47, after line 33, insert:

"Sec. 7. [124.2716] [PREVENTION AND RISK REDUCTION.]

*Subdivision 1. [ELIGIBILITY.] A school board may use the revenue authorized in this section at each elementary school for which a site-based management council has been established and which adopts a prevention and risk reduction plan according to this subdivision. The council must be composed of parents or families and educators. The educators must include student service professionals, teachers, and administrators. Each council shall develop a prevention and risk reduction plan and submit it to the school board. If the school board approves the plan, the district may receive and use the revenue authorized for fiscal year 1993, and thereafter. Fiscal year 1992 funds may be utilized for the planning process. Plans for fiscal year 1993 must be submitted to the commissioner of education between January 1, 1992, and November 1, 1992.*

*Subd. 2. [CONTENTS OF THE PLAN.] The plan must include:*

*(a) Needs assessment of prevention and risk issues including, but not limited to:*

- (1) alcohol and other drugs - family or student;*
- (2) mental health;*
- (3) medically fragile;*
- (4) physical, sexual, and psychological abuse;*
- (5) economically disadvantaged;*

- (6) failing in school;
- (7) violence or delinquency;
- (8) homelessness;
- (9) adjudicated children in need of protection or services;
- (10) health issues; and
- (11) social service issues;

(b) Identification, assessment, and evidence of coordination of available services in school, health agencies, social service agencies, community agencies, and early childhood programs. This item may be addressed at district or multidistrict levels by groups of site-based management council representatives to ensure collaboration, avoid duplication of effort, and improve cost effectiveness of coordination;

- (c) Identification of gaps in services and programs;
- (d) Identification and prioritization of training needs of staff and families;
- (e) Process for identification and implementation of prevention curriculum and services;
- (f) Process for identification and referral, including case management;
- (g) Procedures for evaluating efforts and setting future priorities;
- (h) Process for involving families;
- (i) Identification of resources to be coordinated and/or allocated;
- (j) Recommendations for use of fiscal year 1993 funds to meet building prevention and risk reduction needs; and
- (k) Provisions for annual review of plans and recommendations by the site-based management council for future years.

Subd. 3. [PREVENTION AND RISK REDUCTION REVENUE.] For fiscal year 1992, prevention and risk reduction revenue equals \$3.70 times the number of actual pupil units in kindergarten through grade six in the district. For fiscal year 1993 and thereafter, prevention and risk reduction revenue equals \$11.98 times the number of actual pupil units in kindergarten through grade six in the district.

Subd. 4. [PREVENTION AND RISK REDUCTION LEVY.] To obtain prevention and risk reduction revenue, a district may levy the amount raised by a tax rate of .047 percent times the adjusted net tax capacity of the district for taxes payable in 1992 and thereafter. If the amount of the prevention and risk reduction levy would exceed the prevention and risk reduction revenue, the prevention and risk reduction levy shall equal the prevention and risk reduction revenue.

Subd. 5. [PREVENTION AND RISK REDUCTION AID.] For fiscal year 1992, a district's prevention and risk reduction aid is equal to its prevention and risk reduction revenue. Beginning in fiscal year 1993, a district's prevention and risk reduction aid is the difference between its prevention and risk reduction revenue and its prevention and risk reduction levy. If the district does not levy the entire amount permitted, the prevention and risk reduction aid shall be reduced in proportion to the actual amount levied.

*Subd. 6. [OTHER FUNDING.] Schools may accept:*

- (1) resources and services from post-secondary institutions;*
- (2) resources and services from department of human services and county human services;*
- (3) resources and services from department of health and public health departments;*
- (4) resources and services from department of education and regional education entities;*
- (5) resources and services from department of jobs and training; and*
- (6) private resources, foundation grants, gifts, corporate contributions, federal grants, and other grants.*

*Subd. 7. [USES OF PREVENTION AND RISK REDUCTION REVENUE.] For fiscal year 1992, funds must be used to create the prevention and risk reduction plan. Fiscal year 1992 funds may also be used to implement the plan. For fiscal year 1993, funds shall be utilized to implement the plan. Permitted uses include:*

- (1) increase the number of student service professionals providing counseling and support services to children and families;*
- (2) pool resources with other schools and/or districts to increase the number of student service professionals;*
- (3) facilitate co-location of services for families at or near schools;*
- (4) pool resources with other agencies to provide services; and*
- (5) in all instances, funds must be used to supplement or increase existing services and programs, and in no case shall funds be used to supplant existing services and programs.*

*Subd. 8. [ROLE OF THE DEPARTMENT.] The department shall:*

- (1) provide technical assistance to districts to implement this program;*
- (2) review building plans; and*
- (3) report to the legislature regarding implementation of subdivisions 1 to 7. This report must be part of the biennial budget document. Supplemental information may be provided as appropriate.*

**Sec. 8. [124.2717] [FAMILIES PLUS: INNOVATIVE SERVICE DELIVERY.]**

*Subdivision 1. [FOCUS.] The focus of the families plus initiative is to foster the delivery of integrated services at the neighborhood and community level. The services to be integrated are an array of support for all families to intense, comprehensive treatment strategies for families with multiple risk factors. Families plus focuses on multiple services for families with children from prebirth to 21 years of age. The commissioner of the state planning agency shall award grants to eligible applicants whose programs are in accord with the goals and characteristics of this section and the criteria adopted by the steering committee required by this section.*

*Subd. 2. [GOALS.] To receive a grant under this section, an applicant's plan must demonstrate the coordination and integration of services that:*

- (1) encourage families to make better use of existing community services;*

(2) help families to build a network of friends, relatives, and community people to support them in raising children;

(3) expand identification of factors which can be deterrents to optimal development;

(4) identify needed services for families and children and find ways to support them;

(5) raise public awareness about the practices and importance of healthy child development;

(6) raise the quality of community services by providing programs with information, technical assistance, and incentives for coordination; and

(7) identify barriers to service.

*Subd. 3. [CHARACTERISTICS.] Plans providing for the consolidation and integration of services will be eligible to receive grants under this section if the plan has the general characteristics enumerated in this subdivision:*

(1) has a locally determined approach to design and implementation;

(2) is family-focused, and neighborhood and community centered;

(3) is administered by a community council composed of residents, service providers, schools, and business and civic organizations;

(4) has inclusive participation, culturally-appropriate approaches;

(5) provides for co-location of services to the extent possible; and

(6) provides for family mutual support networks, and for parenting education and support at all levels and through all existing programs.

*Subd. 4. [POSSIBLE PROGRAM ELEMENTS.] To receive grants under this section, a thorough community assessment of existing services and gaps must be completed and a system designed for integrating and expanding some or all of the following program components:*

(1) family resource centers;

(2) way to grow;

(3) early childhood screening;

(4) children's health plan and other primary health care;

(5) early childhood family education expanded to grade three;

(6) headstart wrap-around program;

(7) mentoring programs;

(8) child care;

(9) educational opportunities for children and parents; and

(10) home visits by paraprofessional community residents to link families to services.

*Subd. 5. [DESIRABLE PROGRAM COMPONENTS.] Any plan to receive grants under this section is encouraged to have or develop the following components in its delivery system:*

(1) community linkages, by providing centralized information, referral,

and service coordination for families and service providers, including identifying gaps in existing services;

(2) home visits to families of newborns, and other families as appropriate, by trained paraprofessionals working within communities and neighborhoods;

(3) public education and outreach;

(4) education and training for families by paraprofessional home visitors; and

(5) an evaluation plan for measuring the outcomes of the program.

Subd. 6. [IMPLEMENTATION.] *The grant program under this section must be administered by the commissioner of the state planning agency by convening a steering committee made up of representatives from the business community, the department of health, the department of human services, the department of education, the department of corrections, the department of jobs and training, the department of public safety, the council on black Minnesotans, the Spanish-speaking affairs council, the Asian-Pacific council, and the Indian affairs council. The steering committee shall:*

(1) form criteria for project selection that include goals, measurable objectives, and evaluation strategy;

(2) review and recommend projects for funding to the commissioner of the state planning agency; and

(3) assess and eliminate, as appropriate, barriers to service as identified by local recipients or providers.

Subd. 7. [GRANT AWARDS.] *(a) The commissioner of the state planning agency shall award grants as provided in this section after considering the recommendations of the steering committee. Grants of up to \$10,000 may first be awarded for needs assessment, community organization, or program development.*

*(b) On successful completion and evaluation of the use of the planning grants, implementation grants may be awarded for up to \$50,000 to implement a service delivery program under this section.*

*(c) The grants must be awarded on a competitive basis based on criteria contained in the request for proposals.*

*(d) The grants must reflect the cultural diversity of the grantee's community.*

*(e) The fiscal agent for the grant recipient must be a public, private, or nonprofit agency to provide an appropriate audit trail.*

*(f) Grants must also take into account geographical distribution among metropolitan, suburban, and rural areas.*

Subd. 8. [REPORT.] *The commissioner of the state planning agency after consultation with the steering committee shall report to the governor and the legislature in January of 1992 and 1993 on the progress of the family plus program and recommendations for the next two years."*

Renumber the sections of article 3 in sequence and correct the internal references

Page 75, line 32, delete "\$93.50" and insert "\$96.50" and delete "\$100"



and insert "\$101.25"

Correct the appropriations accordingly

Pages 128 to 133, delete sections 6 and 7

Page 135, delete lines 32 to 36

Page 136, delete lines 1 to 5

Renumber the subdivisions in sequence

Page 138, after line 3, insert:

*"Subd. 9. [PREVENTION AND RISK REDUCTION AID.] For prevention and risk reduction aid:*

*\$1,275,000 . . . . . 1992*

*\$3,115,000 . . . . . 1993*

*The 1992 appropriation includes \$1,275,000 for 1992.*

*The 1993 appropriation includes \$225,000 for 1992 and \$2,890,000 for 1993.*

Sec. 15. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF JOBS AND TRAINING.] The sum indicated in this section is appropriated from the general fund to the department of jobs and training for the fiscal years designated.*

*Subd. 2. [HEAD START.] For distribution to Head Start program providers:*

*\$10,000,000 . . . . . 1992*

*\$15,000,000 . . . . . 1993*

Sec. 16. [APPROPRIATIONS.]

*Subdivision 1. [STATE PLANNING AGENCY.] The sums indicated in this section are appropriated from the general fund to the state planning agency for the fiscal years designated.*

*Subd. 2. [WAY TO GROW GRANTS.] For grants for the way to grow program under Minnesota Statutes, section 145.926:*

*\$1,000,000 . . . . . 1992*

*\$1,000,000 . . . . . 1993*

*Subd. 3. [FAMILIES PLUS GRANTS.] For families plus grants:*

*\$2,000,000 . . . . . 1992*

*\$2,000,000 . . . . . 1993*

*Money for implementation grants must not be disbursed to the grantee until an equal amount is available for other state or nonstate sources."*

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Gustafson	Laidig	Olson
Belanger	Brataas	Halberg	Larson	Pariseau
Benson, D.D.	Day	Johnston	McGowan	Renneke
Benson, J.E.	Frederickson, D.R.	Knaak	Neuville	Storm

Those who voted in the negative were:

Beckman	Dicklich	Johnson, D.J.	Metzen	Ranum
Berglin	Finn	Johnson, J.B.	Moe, R. D.	Reichgott
Bertram	Flynn	Kelly	Morse	Riveness
Chmielewski	Frank	Langseth	Novak	Sams
Cohen	Frederickson, D.J.	Lessard	Pappas	Spear
Dahl	Hottinger	Luther	Piper	Stumpf
Davis	Hughes	Marty	Pogemiller	Traub
DeCramer	Johnson, D.E.	Merriam	Price	Vickerman

The motion did not prevail. So the amendment was not adopted.

Mr. Waldorf moved to amend S.F. No. 467 as follows:

Pages 141 to 144, delete sections 8 to 10

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Halberg	Neuville	Stumpf
Beckman	Davis	Johnston	Pariseau	Vickerman
Benson, J.E.	Day	Laidig	Renneke	Waldorf
Bernhagen	Frank	Lessard	Sams	
Bertram	Gustafson	McGowan	Samuelson	

Those who voted in the negative were:

Belanger	Flynn	Knaak	Moe, R. D.	Ranum
Benson, D.D.	Frederickson, D.J.	Kroening	Mondale	Reichgott
Berglin	Frederickson, D.R.	Langseth	Morse	Riveness
Brataas	Hottinger	Larson	Novak	Spear
Cohen	Hughes	Luther	Olson	Storm
Dahl	Johnson, D.E.	Marty	Pappas	Traub
DeCramer	Johnson, D.J.	Mehrkens	Piper	
Dicklich	Johnson, J.B.	Merriam	Pogemiller	
Finn	Kelly	Metzen	Price	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend S.F. No. 467 as follows:

Pages 22 and 23, delete section 24

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 47, as follows:

Those who voted in the affirmative were:

Belanger	Bertram	Frank	Knaak	Renneke
Benson, J.E.	Brataas	Halberg	Laidig	Storm
Bernhagen	Day	Johnston	Morse	

Those who voted in the negative were:

Adkins	Finn	Kelly	Moe, R.D.	Riveness
Beckman	Flynn	Langseth	Neuville	Sams
Benson, D.D.	Frederickson, D.J.	Larson	Olson	Spear
Berglin	Frederickson, D.R.	Lessard	Pappas	Stumpf
Chmielewski	Gustafson	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Hughes	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.E.	Mehrkens	Price	
DeCramer	Johnson, D.J.	Merriam	Ranum	
Dicklich	Johnson, J.B.	Metzen	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Neuville moved to amend S.F. No. 467 as follows:

Pages 8 to 11, delete section 10 and insert:

“Sec. 10. Minnesota Statutes 1990, section 124A.03, is amended to read:  
124A.03 [REFERENDUM ~~LEVY~~ REVENUE.]

*Subd. 1b.* [INITIAL REFERENDUM ALLOWANCE.] *The department of education shall convert the referendum levy authority existing under this section for 1990 taxes payable in 1991 to a revenue allowance per actual pupil unit for future years. A district's initial revenue allowance for all later years for which the levy is authorized equals the referendum levy authority for 1990 taxes payable in 1991 divided by its actual pupil units for the 1991-1992 school year.*

*Subd. 1c.* [REFERENDUM ALLOWANCE LIMIT.] *(a) A district's referendum allowance shall not exceed the greater of:*

- (1) the district's initial referendum allowance for fiscal year 1992; or*
- (2) 35 percent of the formula allowance for the year the revenue is attributable, plus the cost-of-living allowance computed for the district according to paragraph (b) or (c).*

*(b) The cost-of-living allowance for a school district headquartered in the seven-county metropolitan area is \$264.*

*(c) The cost-of-living allowance for a school district headquartered outside of the seven-county metropolitan area shall be computed using the overall cost-of-living index computed for the county in which the school district is headquartered as reported in the January 1989 report published by the office of the legislative auditor entitled Statewide Cost-of-Living Differences. The allowance equals the greater of zero or the result of the following computation:*

- (1) subtract 89 from the cost-of-living index;*
- (2) multiply the result in clause (1) by \$24.*

*Subd. 1d.* [REFERENDUM ALLOWANCE.] *For fiscal year 1993 and subsequent fiscal years, a district's referendum allowance equals the district's initial referendum allowance, plus the amount of referendum revenue per actual pupil unit authorized under subdivision 2 in a referendum held after July 1, 1991.*

*Subd. 1e.* [TOTAL REFERENDUM REVENUE.] *The total referendum*

revenue for each district equals the district's referendum allowance times the actual pupil units for the school year.

Subd. 1f. [EQUALIZED REFERENDUM REVENUE.] *The equalized referendum revenue for each district equals the lesser of the district's total referendum revenue or \$200 times the actual pupil units for the current school year.*

Subd. 1g. [EQUALIZED REFERENDUM LEVY.] *To receive equalized referendum revenue, a district may levy an amount equal to the district's equalized referendum revenue as defined in subdivision 1f multiplied by the lesser of one, or the ratio of:*

(a) *the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable; to*

(b) \$3,400.

Subd. 1h. [REFERENDUM AID.] *A district's referendum aid is the difference between its equalized referendum revenue and its equalized referendum levy. If a district does not levy the entire amount permitted, referendum aid must be reduced in proportion to the actual amount levied.*

Subd. 1i. [UNEQUALIZED REFERENDUM LEVY.] *Each year, a district may levy an amount equal to the difference between its total referendum revenue and its equalized referendum revenue according to subdivision 1f.*

Subd. 2. [REFERENDUM ~~LEVY~~ REVENUE.] (a) ~~The levy revenue~~ authorized by section ~~124A.23~~ 124A.22, subdivision ~~2~~ 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. 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 revenue per actual pupil unit, the estimated net tax capacity rate~~ in the first year it is to be levied, and that the ~~local tax rate revenue~~ shall be used to finance school operations. The ballot shall designate the specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the ~~levy revenue~~ proposed by (petition to) the board of . . . . ., School District No. . . . ., be approved?"

If approved, ~~the an amount provided by equal to the approved local tax rate applied to the net tax capacity revenue per actual pupil unit times the actual pupil units for the school year preceding beginning in the year after the levy is certified~~ shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school 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 referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed ~~levy revenue~~ 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 *tax* increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

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.”

(c) A referendum on the question of revoking or reducing the increased ~~levy revenue~~ amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. ~~A levy Revenue~~ approved by the voters of the district pursuant to paragraph (a) must be ~~made received~~ at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce a ~~levy referendum revenue~~ for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.”

Pages 22 and 23, delete section 24

Page 24, after line 5, insert:

“Subd. 3. [REFERENDUM AID.] *For referendum aid:*

*\$18,500,000 . . . . 1993”*

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Dahl	Johnson, J.B.	McGowan	Pariseau
Benson, D.D.	Davis	Johnston	Mehrkens	Renneke
Benson, J.E.	Day	Knaak	Morse	Sams
Bernhagen	Frank	Laidig	Neuville	Storm
Brataas	Halberg	Larson	Olson	

Those who voted in the negative were:

Adkins	Finn	Johnson, D.J.	Metzen	Reichgott
Beckman	Flynn	Kelly	Moe, R.D.	Riveness
Berglin	Frederickson, D.J.	Kroening	Mondale	Samuelson
Bertram	Frederickson, D.R.	Langseth	Pappas	Spear
Chmielewski	Gustafson	Lessard	Piper	Stumpf
Cohen	Hottinger	Luther	Pogemiller	Traub
DeCramer	Hughes	Marty	Price	Vickerman
Dicklich	Johnson, D.E.	Merriam	Ranum	

The motion did not prevail. So the amendment was not adopted.

### 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. 467 and that the rules of the Senate be so far suspended as to give S.F. No. 467, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

Ms. Traub moved to amend S.F. No. 467 as follows:

Pages 192 and 193, delete sections 45 and 46

Pages 193 and 194, delete section 48

Page 194, delete lines 12 to 14

Page 194, line 23, delete "*Subdivision 1. [PARENTAL APPROVAL.]*"

Page 194, line 24, delete "*approve or*"

Page 194, line 25, delete "*personal*" and insert "*specific courses or units of instruction.*"

Page 194, delete lines 26 to 36

Page 195, delete lines 1 to 14

Page 209, delete section 69 and insert:

"Sec. 69. [STUDY OF THE ROLE OF PARENTAL INVOLVEMENT.]

*The state board of education shall study the role of parent involvement in curriculum development and review, the PER process, and selection of instructional materials. The state board shall appoint an advisory committee of 15 members composed of parents, teachers, school board members, superintendents, and members of the public to assist the board in the study. The state board shall report its recommendations to the education committees of the legislature by January 15, 1992, including a policy on when students may be removed from a specific course or unit of instruction by a parent or guardian."*

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Berglin	Hottinger	Marty	Ranum	Stumpf
Brataas	Johnson, J.B.	Mondale	Reichgott	Traub
Cohen	Kelly	Pappas	Riveness	
Finn	Langseth	Piper	Sams	
Flynn	Luther	Price	Spear	

Those who voted in the negative were:

Adkins	Dahl	Gustafson	Lessard	Pariseau
Beckman	Davis	Halberg	McGowan	Pogemiller
Belanger	Day	Johnson, D.E.	Mehrkens	Renneke
Benson, J.E.	DeCramer	Johnston	Metzen	Samuelson
Berg	Dicklich	Knaak	Morse	Solon
Bernhagen	Frank	Kroening	Neuville	Storm
Bertram	Frederickson, D.J.	Laidig	Novak	Vickerman
Chmielewski	Frederickson, D.R.	Larson	Olson	Waldorf

The motion did not prevail. So the amendment was not adopted.

Mrs. Benson, J.E. moved to amend S.F. No. 467 as follows:

Page 215, after line 4, insert:

“Sec. 5. [APPLICABILITY.]

*Section 3 applies only to the Pipestone school district and the city of Pipestone.”*

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 42, as follows:

Those who voted in the affirmative were:

Beckman	Bernhagen	Frederickson, D.J.	Larson	Olson
Belanger	Brataas	Halberg	Lessard	Pariseau
Benson, D.D.	Davis	Johnston	McGowan	Sams
Benson, J.E.	Day	Laidig	Mehrkens	Storm

Those who voted in the negative were:

Adkins	Flynn	Kelly	Neuville	Solon
Berglin	Frank	Knaak	Pappas	Spear
Bertram	Frederickson, D.R.	Kroening	Piper	Stumpf
Chmielewski	Gustafson	Langseth	Pogemiller	Traub
Cohen	Hottinger	Marty	Price	Vickerman
Dahl	Hughes	Metzen	Ranum	Waldorf
DeCramer	Johnson, D.E.	Moe, R.D.	Reichgott	
Dicklich	Johnson, D.J.	Mondale	Riveness	
Finn	Johnson, J.B.	Morse	Samuelson	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 467 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 2, 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.	Frank	Laidig	Neuville	Solon
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Storm
Bertram	Gustafson	Lessard	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Reichgott	

Ms. Flynn and Mr. Knaak voted in the negative.

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 467 be laid on the table. The motion prevailed.

Mr. Lessard moved that the name of Mr. Morse be added as a co-author to S.F. No. 218. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 467 be taken from the table. The motion prevailed.

### RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 467 was passed by the Senate on May 1, 1991, be now reconsidered. The motion prevailed.

S.F. No. 467 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 3, 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.	Dicklich	Kelly	Morse	Sams
Benson, J.E.	Finn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Olson	Solon
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Pogemiller	Waldorf
Cohen	Hughes	Mehrkens	Price	
Dahl	Johnson, D.E.	Merriam	Ranum	

Ms. Flynn, Mr. Knaak and Ms. Traub voted in the negative.

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



**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that S.F. No. 467 be laid on the table. The motion prevailed.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Ms. Piper, Mr. Marty, Meses. Flynn, Traub and Ranum introduced—

S.F. No. 1544: 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.

Mr. Davis introduced—

S.F. No. 1545: A bill for an act relating to highways; designating a portion of trunk highway No. 169 as Elmer L. Andersen scenic highway; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Finance.

Messrs. Larson; Johnson, D.E.; Renneke; Neuville and Frederickson, D.J. introduced—

S.F. No. 1546: A bill for an act relating to agriculture; providing for a study of the potential for making ethanol from Minnesota produced whey; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Marty and Ms. Piper introduced—

S.F. No. 1547: A bill for an act relating to individual income taxation; increasing the tax rates on high income individuals; amending Minnesota Statutes 1990, section 290.06, subdivisions 2c and 2d.

Referred to the Committee on Taxes and Tax Laws.

Ms. Olson, Messrs. Benson, D.D.; Belanger; Ms. Reichgott and Mr. Johnson, D.J. introduced—

S.F. No. 1548: A bill for an act relating to taxation; deferring homestead property taxes over two percent of income for persons age 60 or older; providing for payment of lost revenue to taxing jurisdictions; requiring reimbursement when the deferred taxes are paid; appropriating money; amending Minnesota Statutes 1990, sections 273.1392; 276.04, subdivision 2; and 290A.03, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

**MEMBERS EXCUSED**

Mr. Davis was excused from the Session of today from 9:30 to 10:15 a.m. Mr. DeCramer was excused from the Session of today from 10:20 to

11:00 a.m. Mr. Gustafson was excused from the Session of today from 9:30 a.m. to 12:30 p.m. Mr. Hughes was excused from the Session of today from 9:30 a.m. to 1:15 p.m. Ms. Traub was excused from the Session of today from 10:00 to 10:55 a.m. Messrs. Beckman and Johnson, D.E. were excused from the Session of today from 1:05 to 1:40 p.m. Mr. Berg was excused from the Session of today from 1:00 to 5:00 p.m. Messrs. Johnson, D.J.; Merriam and Moe, R.D. were excused from the Session of today from 5:00 to 6:00 p.m. Mr. Lessard was excused from the Session of today at 6:10 p.m.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, May 2, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-FIFTH DAY

St. Paul, Minnesota, Thursday, May 2, 1991

The Senate met at 8:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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 Files, herewith transmitted: H.F. Nos. 1086 and 700.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1086: A bill for an act relating to the financing and operation

of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 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, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding

a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 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; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

Mr. Moe, R.D. moved that H.F. No. 1086 be laid on the table. The motion prevailed.

H.F. No. 700: A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

Mr. Moe, R.D. moved that H.F. No. 700 be laid on the table. The motion

prevailed.

### REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 317 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.
317			227		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 317 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 317 and insert the language after the enacting clause of S.F. No. 227, the second engrossment; further, delete the title of H.F. No. 317 and insert the title of S.F. No. 227, the second engrossment.

And when so amended H.F. No. 317 will be identical to S.F. No. 227, and further recommends that H.F. No. 317 be given its second reading and substituted for S.F. No. 227, 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. 1054 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.
1054			813		

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. 813 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.
813	775				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 813 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 813 and insert the language after the enacting clause of S.F. No. 775, the first engrossment; further, delete the title of H.F. No. 813 and insert the title of S.F. No. 775, the first engrossment.

And when so amended H.F. No. 813 will be identical to S.F. No. 775, and further recommends that H.F. No. 813 be given its second reading and substituted for S.F. No. 775, 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. 922 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.
922	772				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 922 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 922 and insert the language after the enacting clause of S.F. No. 772, the second engrossment; further, delete the title of H.F. No. 922 and insert the title of S.F. No. 772, the second engrossment.

And when so amended H.F. No. 922 will be identical to S.F. No. 772, and further recommends that H.F. No. 922 be given its second reading and substituted for S.F. No. 772, 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. 1208 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.
1208	970				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 478 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.
478	508				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 478 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 478 and insert the language after the enacting clause of S.F. No. 508, the first engrossment; further, delete the title of H.F. No. 478 and insert the title of S.F. No. 508, the first engrossment.

And when so amended H.F. No. 478 will be identical to S.F. No. 508, and further recommends that H.F. No. 478 be given its second reading and substituted for S.F. No. 508, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 317, 1054, 813, 922, 1208 and 478 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Davis moved that the name of Mr. Marty be added as a co-author to S.F. No. 1545. The motion prevailed.

### 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.

Mr. Moe, R.D. moved that H.F. No. 700 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. 700 and that the rules of the Senate be so far suspended as to give H.F. No. 700 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 700 was read the second time.

Mr. Dicklich moved to amend H.F. No. 700 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 700, and insert the language after the enacting clause, and the title, of S.F. No. 467, the fourth engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 700 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 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mr. Knaak and Ms. Traub voted in the negative.

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

Mr. Moe, R.D. moved that H.F. No. 1086 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. 1086 and that the rules of the Senate be so far suspended as to give H.F. No. 1086 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1086 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 1086 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1086, and insert the language after the enacting clause, and the title, of S.F. No. 1009, the first engrossment.

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 1086. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Johnson, D.J. moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 25, line 18, delete "(ii)" and insert "(iii)"

Page 26, line 35, after "under" insert "*section 273.13, subdivision 25, paragraph (c), clause (3), item (iii), or valued under section 273.11, subdivision 11,*"

Page 27, line 2, delete "*this section had not been applied*" and insert "*the property had not been classified under section 273.13, subdivision 25, paragraph (c), clause (3), item (iii), or valued under section 273.11, subdivision 11*"

Page 27, line 13, reinstate the stricken language and delete the new language

Page 27, line 20, delete "50" and insert "55"

Page 27, line 21, reinstate the stricken "ten" and delete "12"

Page 28, line 29, delete the new language and insert "\$40,100,000"

Page 65, line 26, after the period, insert "*Notwithstanding section 9 and the requirements of the preceding sentence, no city with a population of 500 or less will receive an aid reduction under this subdivision.*"

Page 66, line 7, after the period, insert "*Notwithstanding section 10 and the requirements of the preceding sentence, no city with a population of 500 or less will receive an aid reduction under this subdivision.*"

Page 66, after line 12, insert:

"Sec. 19. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

*Subd. 11. [MUNICIPAL OVERBURDEN AID.] For aids payable in 1992 and subsequent years, cities of the first class within the metropolitan area as defined in section 473.121, subdivision 2, will receive municipal overburden aid of a total amount of \$2,500,000. The aid will be distributed among the cities on a per capita basis using populations as defined in section 477A.011, subdivision 3."*

Page 68, line 27, delete "\$6,000,000" and insert "\$6,800,000"

Renumber the sections of article 5 in sequence and correct the internal references

Page 83, line 9, delete "7, and 8" and insert "and 7"

Page 83, line 12, after the period, insert "Section 8 is effective for taxable years beginning after December 31, 1989."

Page 86, line 29, delete " ; and" and insert a period

Page 86, delete lines 30 to 35

Page 91, after line 8, insert:

"Sec. 5. Minnesota Statutes 1990, section 297A.25, subdivision 12, is amended to read:

Subd. 12. [OCCASIONAL SALES.] (a) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale are exempt.

(b) *This exemption does not apply to sales of tangible personal property primarily used in a trade or business unless (1) the sale occurs in a transaction subject to or described in section 336, 351, 355, 368, or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1990, or (2) the sale is between members of an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990.*

(c) *This exemption does not apply to sales at an auction conducted by a person who is paid for conducting the auction.*"

Page 92, line 18, delete "42.8" and insert "42.9"

Page 92, line 19, delete "39" and insert "39.25"

ReNUMBER the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 74, after line 30, 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 ensure 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."*

Page 82, after line 36, insert:

"Sec. 9. 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."

Page 83, after line 7, insert:

"Sec. 11. [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."

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Piper	Spear
Benson, J.E.	Finn	Luther	Price	Stumpf
Berglin	Flynn	Marty	Ranum	Traub
Bernhagen	Frederickson, D.J.	Metzen	Reichgott	Waldorf
Brataas	Hottinger	Moe, R.D.	Riveness	
Cohen	Hughes	Mondale	Sams	
Davis	Johnson, D.J.	Neuville	Samuelson	
DeCramer	Kelly	Pappas	Solon	

Those who voted in the negative were:

Beckman	Day	Johnson, J.B.	Lessard	Olson
Belanger	Frank	Johnston	McGowan	Pogemiller
Benson, D.D.	Frederickson, D.R.	Knaak	Mehrrens	Renneke
Berg	Gustafson	Laidig	Merriam	Vickerman
Bertram	Halberg	Langseth	Morse	
Dahl	Johnson, D.E.	Larson	Novak	

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Pages 4 to 29, delete article 2 and insert:

"ARTICLE 2

PROPERTY TAX CLASSIFICATION AND VALUATION

Section 1. [273.125] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions listed in subdivisions 2 to 10 must be used in classifying property under section 273.126.

Subd. 2. [RESIDENTIAL PROPERTY.] "Residential property" means a dwelling occupied by one or more persons and includes seasonal recreational property used for either commercial or noncommercial purposes, hospitals as defined in section 144.50, subdivision 6, and subsidized housing, but

*excludes nonsubsidized residential property containing four or more dwelling units.*

*Subd. 3. [AGRICULTURAL LAND.] "Agricultural land" means land primarily used during the preceding year for agricultural purposes. Agricultural land may include slough, wasteland, and woodland contiguous to or surrounded by agricultural land, if under the same ownership and management, and land included in state or federal farm programs.*

*Subd. 4. [AGRICULTURAL PURPOSES.] "Agricultural purposes" means the raising or cultivation of agricultural products, including: (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products produced by the owner, (2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use, and (3) the commercial boarding of horses if the boarding is done in conjunction with the raising or cultivation of agricultural products as defined in clause (1).*

*Subd. 5. [TIMBERLAND PROPERTY.] "Timberland property" is real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products.*

*Subd. 6. [SUBSIDIZED HOUSING.] "Subsidized housing" means:*

*(a) A structure 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 loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This paragraph applies only to property of a nonprofit or limited dividend entity. Property is classified under this paragraph for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.*

*(b) A structure that is:*

*(1) situated upon real property that is used for housing low-income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended;*

*(2) 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 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 under this clause is limited to a term of 15 years.*

*(c) 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 of individuals. This paragraph does not apply to any part*



*of the land or improvements used for nonresidential purposes. For purposes of this paragraph, 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 paragraph, "neighborhood real estate trust" is further defined to mean an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (1) it is a nonprofit corporation organized under chapter 317A; (2) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (3) it limits membership with voting rights to residents of the designated community; and (4) 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.*

*(d) A structure:*

*(1) 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;*

*(2) located in a municipality of less than 10,000 population; and*

*(3) financed by a direct loan or insured loan from the farmers home administration.*

*Property is classified under this paragraph for 15 years from the date of the completion of the original construction or for the original term of the loan.*

*This subdivision applies to the property described 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 has 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. This housing is property of a nonprofit or limited dividend entity.*

*Subd. 7. [SEASONAL RECREATIONAL PROPERTY.] "Seasonal recreational property" is real property devoted to seasonal residential occupancy for recreation purposes for not more than 225 days in the year preceding the year of assessment.*

*Subd. 8. [COMMERCIAL RECREATIONAL PROPERTY.] "Commercial recreational property" means real property devoted to a commercial purpose that is contiguous to and used in conjunction with seasonal recreational property that is under the same ownership and management.*

*Subd. 9. [NONPROFIT COMMUNITY SERVICE ORIENTED ORGANIZATION.] A "nonprofit community service oriented organization" means real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization. The property must not be used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment, and the property must not be used for residential purposes on either a temporary or permanent basis. For purposes of this subdivision, 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, 1990. For purposes of this subdivision, "revenue-producing activities" includes but is not limited to property, or that part 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. 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, is not considered a revenue-producing activity.

*Subd. 10.* [MANUFACTURED HOME PARK.] "Manufactured home park" means any site, lot, field, or tract of land upon which two or more occupied manufactured homes are located, either free of charge or for compensation, and includes any building, structure, tent, vehicle, or enclosure used or intended for use as part of the equipment of the manufactured home park.

**Sec. 2.** [273.126] [VALUATION AND CLASSIFICATION OF PROPERTY.]

*Subdivision 1.* [MANNER OF VALUATION AND CLASSIFICATION.] All real and personal property subject to a general property tax and not subject to a gross earnings or other fee in lieu of tax, is classified as provided by this section.

*Subd. 2.* [CLASS 1.] Class 1 property must be valued at 100 percent of market value, provided that 75 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 1 property includes agricultural land and improvements, and timberland property. The combined market value of each house, garage, and the immediately surrounding one acre of land is class 2 property.

*Subd. 3.* [CLASS 2.] Class 2 property must be valued at 100 percent of market value, provided that 50 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 2 property includes residential property.

For all types of subsidized housing, the assessor shall determine the market value by using the normal approach to value and using normal unrestricted rents.

*Subd. 4.* [CLASS 3.] Class 3 property must be valued at 100 percent of market value, with a 25 percent exemption for purposes of valuation for real estate taxes. "Market value" for purposes of this subdivision includes the land and the buildings. Class 3 property includes:

(1) residential real estate with 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;

(2) that portion of the market value of commercial, industrial, and utility property that does not exceed \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only

*one parcel has a 25 percent exemption on the first \$120,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a 25 percent exemption on the first \$120,000 of market value:*

*(3) manufactured home parks of four or more units;*

*(4) commercial recreational property; and*

*(5) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization.*

*Subd. 5. [CLASS 4.] Class 4 property must be valued at 100 percent of market value. Class 4 property includes:*

*(1) that portion of the market value of commercial, industrial, and utility property in excess of \$120,000;*

*(2) tools, implements, and machinery of an electric generating system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures; and*

*(3) unmined iron ore and low-grade iron-bearing formations as defined in section 273.14.*

*Subd. 6. [UNIMPROVED LAND.] Real property that is not improved with a structure and that is not used as part of a commercial or industrial activity must be classified according to its highest and best use permitted under the local zoning ordinance, and consistent with this section. If no ordinance exists, the land must be classified in the same manner as the surrounding land or land in the most immediate proximity to the vacant land.*

*Subd. 7. [SUBSTANDARD BUILDINGS.] The amount of market value exempt from property taxes for residential property that is found to be a substandard building under section 273.1316 shall be reduced by 25 percent of the property's market value.*

*Subd. 8. [MULTI-USE PROPERTY.] In the case of multi-use property, the valuation and classification is apportioned according to the uses of the property.*

Sec. 3. Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

**Subd. 33. [PAYABLE 1992 TRANSITION RATES FOR REAL PROPERTY.]**

*For taxes payable in 1992, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32:*

*(a) Class 1a and 1b property has a class rate of 1.3 percent for the first \$68,000 of market value, a class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate of 2.7 percent for that portion of market value exceeding \$110,000.*

*(b) Class 1c property has a class rate of 1.2 percent for the first \$32,000 of market value and a class rate of 1.3 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or*

campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c property has a class rate of 2.2 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.6 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.2 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.4 percent.

(d) Class 2b timberland has a class rate of 1.4 percent.

(e) Class 2b agricultural land has a class rate of 2.7 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.4 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.4 percent.

(i) Class 4b property has a class rate of 2.7 percent.

(j) Class 4c property has a class rate of 2.2 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.7 percent if the structure contains fewer than four units, and 3.1 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.6 percent.

Sec. 4, Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

*Subd. 34. [PAYABLE 1993 TRANSITION RATES FOR REAL PROPERTY.] For taxes payable in 1993, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32.*

(a) Class 1a and 1b property has a class rate of 1.7 percent for the first \$68,000 of market value, a class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate

of 2.3 percent for that portion of market value exceeding \$110,000.

(b) Class 1c property has a class rate of 1.6 percent for the first \$32,000 of market value and a class rate of 1.7 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c property has a class rate of 2.1 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.8 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.1 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.2 percent.

(d) Class 2b timberland has a class rate of 1.2 percent.

(e) Class 2b agricultural land has a class rate of 2.4 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.2 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.2 percent.

(i) Class 4b property has a class rate of 2.3 percent.

(j) Class 4c property has a class rate of 2.1 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.3 percent if the structure contains fewer than four units, and 2.5 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.3 percent.

Sec. 5. Minnesota Statutes 1990, section 273.1316, subdivision 6, is amended to read:

Subd. 6. [TIMING OF PROCESS.] If a notice of noncompliance is mailed before July 1 of any year, and the property owner has neither (1) successfully

appealed the determination, nor (2) brought the property into compliance by October 15 of that year, the property will be assessed under section 273.13 273.126, subdivision 25 7, ~~paragraph (e)~~, for taxes levied in that year and all subsequent years until the agency determines that the property is no longer a standard building, or the property owner prevails on an appeal of the matter. If a notice of noncompliance is mailed after June 30 of any year, the disqualification would initially be effective for taxes levied in the following year.

Sec. 6. Minnesota Statutes 1990, section 275.08, is amended by adding a subdivision to read:

*Subd. 5. [COMPUTATION OF TAXABLE VALUE; MILL RATE.] For taxes levied in 1993 and payable in 1994 and subsequent years, the county auditor shall compute the taxable value for each parcel according to the classification system described in section 273.126. The taxable value is the parcel's market value, less any exemption. The tax rate is expressed as a mill rate.*

Sec. 7. [PROPOSED LEGISLATION.]

*The commissioner of revenue shall prepare legislation for introduction in the 1993 legislative session to change references to Minnesota Statutes, section 273.13, to the appropriate section and subdivision and to change references to particular class rates to the appropriate exemption rates. The proposed legislation shall also change "tax capacity" to "taxable value" where it is appropriate to the context of the statute, and change "class rates" to "exemption rates." The revisor of statutes shall assist in the preparation of the legislation as requested by the commissioner. Legislation proposed under this section is not subject to fees under Minnesota Statutes, sections 3C.035, subdivision 2, and 3C.056.*

Sec. 8. [REPEALER.]

*Minnesota Statutes 1990, sections 273.124 and 273.13, are repealed.*

Sec. 9. [EFFECTIVE DATES.]

*Section 3 is effective for taxes levied in 1991, and payable in 1992. Section 4 is effective for taxes levied in 1992, and payable in 1993. Sections 1, 2, 5, 6, and 8 are effective for taxes levied in 1993, payable in 1994, and thereafter.*

### ARTICLE 3

#### INCOME SENSITIVE HOMESTEAD CREDIT

Section 1. Minnesota Statutes 1990, section 289A.18, subdivision 5, is amended to read:

*Subd. 5. [PROPERTY TAX REFUND CLAIMS.] A claim for a refund based on property taxes payable must be filed with the commissioner on or before ~~August 15~~ May 15 of the year in which the property taxes are due and payable. Any claim for refund based on rent paid must be filed on or before August 15 of the year following the year in which the rent was paid.*

Sec. 2. Minnesota Statutes 1990, section 289A.56, subdivision 6, is amended to read:

*Subd. 6. [PROPERTY TAX REFUNDS UNDER CHAPTER 290A.] (a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is*

later, until the date the refund is paid.

(b) When any other claimant is owed a property tax refund, the unpaid refund bears interest after ~~September 29~~ July 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

Sec. 3. Minnesota Statutes 1990, section 290A.01, is amended to read:  
290A.01 [CITATION.]

This chapter may be cited as the "state of Minnesota ~~property tax refund~~ income sensitive homestead credit act."

Sec. 4. Minnesota Statutes 1990, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	<del>1.2</del> 2.0 percent	22 8 percent	\$400 \$600
1,000 to 1,999	<del>1.3</del> 2.0 percent	24 10 percent	\$400 \$600
2,000 to 2,999	<del>1.4</del> 2.0 percent	26 12 percent	\$400 \$600
3,000 to 3,999	<del>1.6</del> 2.0 percent	28 14 percent	\$400 \$600
4,000 to 4,999	<del>1.7</del> 2.0 percent	30 16 percent	\$400 \$600
5,000 to 5,999	<del>1.9</del> 2.0 percent	33 20 percent	\$400 \$600
6,000 to 6,999	<del>1.9</del> 2.0 percent	35 22 percent	\$400 \$600
7,000 to 7,999	<del>2.1</del> 2.0 percent	38 24 percent	\$400 \$600
8,000 to 8,999	<del>2.2</del> 2.0 percent	40 26 percent	\$400 \$600
9,000 to 9,999	<del>2.3</del> 2.0 percent	42 27 percent	\$400 \$600
10,000 to <del>10,999</del> 14,999	<del>2.4</del> 2.1 percent	45 28 percent	\$400 \$600
<del>11,000 to 11,999</del>	<del>2.5 percent</del>	<del>48 percent</del>	<del>\$400</del>
<del>12,000 to 13,999</del>	<del>2.6 percent</del>	<del>48 percent</del>	<del>\$400</del>
<del>14,000 to 14,999</del>	<del>2.8 percent</del>	<del>48 percent</del>	<del>\$400</del>
15,000 to <del>15,999</del> 19,999	3.0 2.1 percent	50 30 percent	\$400 \$600
<del>16,000 to 16,999</del>	<del>3.2 percent</del>	<del>50 percent</del>	<del>\$400</del>
<del>17,000 to 20,999</del>	<del>3.3 percent</del>	<del>50 percent</del>	<del>\$400</del>
<del>21,000 to 23,999</del>	<del>3.4 percent</del>	<del>50 percent</del>	<del>\$400</del>
<del>24,000 to 24,999</del>	<del>3.5 percent</del>	<del>50 percent</del>	<del>\$400</del>

25,000 to 27,999	3.5 percent	50 percent	\$400
<del>28,000 to 29,999</del>	<del>3.5 percent</del>	50 percent	\$400
30,000 to 34,999	3.5 percent	55 percent	\$400
35,000 to 39,999	3.7 percent	55 percent	\$400
40,000 to 56,999	4.0 percent	55 percent	\$400
20,000 to 45,999	2.2 percent	30 percent	\$600
46,000 to 46,999	2.2 percent	31 percent	\$600
47,000 to 47,999	2.2 percent	32 percent	\$600
48,000 to 48,999	2.2 percent	33 percent	\$600
49,000 to 49,999	2.2 percent	34 percent	\$600
50,000 to 50,999	2.2 percent	35 percent	\$600
51,000 to 51,999	2.2 percent	36 percent	\$600
52,000 to 52,999	2.2 percent	37 percent	\$600
53,000 to 53,999	2.2 percent	38 percent	\$600
54,000 to 54,999	2.2 percent	39 percent	\$600
55,000 to 55,999	2.2 percent	40 percent	\$600
56,000 to 56,999	2.2 percent	42 percent	\$600
57,000 to 57,999	4.0	55	\$300
	2.2 percent	44 percent	\$600
58,000 to 58,999	4.0	55	\$200
	2.2 percent	46 percent	\$600
59,000 to 59,999	4.0	55	\$100
	2.2 percent	48 percent	\$600
60,000 to 60,999	2.4 percent	50 percent	\$550
61,000 to 61,999	2.6 percent	52 percent	\$500
62,000 to 62,999	2.7 percent	54 percent	\$450
63,000 to 63,999	2.8 percent	56 percent	\$450
64,000 to 64,999	3.0 percent	57 percent	\$400
65,000 to 65,999	3.2 percent	57 percent	\$350
66,000 to 66,999	3.4 percent	59 percent	\$300
67,000 to 67,999	3.6 percent	59 percent	\$225
68,000 to 68,999	3.8 percent	60 percent	\$150
69,000 to 69,999	4.0 percent	60 percent	\$100

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$60,000~~ \$70,000 or more.

Sec. 5. Minnesota Statutes 1990, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter or a ~~homeowner who occupies a manufactured home~~, as defined in section 274.19, subdivision 8, paragraph (e), shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Sec. 6. Minnesota Statutes 1990, section 290A.07, subdivision 3, is amended to read:

Subd. 3. A claimant not included in subdivision 2a shall receive full payment after ~~September 15~~ July 1 and before ~~September 30~~ July 15.

Sec. 7. [REPEALER.]

*Minnesota Statutes 1990, section 290A.04, subdivisions 2b, 2h, and 2i, are repealed.*

Sec. 8. [INSTRUCTIONS TO REVISOR.]



*In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "income sensitive homestead credit" for the words "property tax refund" wherever those words occur in Minnesota Statutes, chapters 289A and 290A.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective beginning for property taxes payable in 1992 and refunds payable in 1992.*

ARTICLE 4

PROPERTY TAX ADMINISTRATION

Section 1. Minnesota Statutes 1990, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.] Not later than ~~July 15~~ *June 1* in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home. The taxes are due on ~~the last day of August~~ *July 15*. Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. On ~~September 30~~ *August 15* the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.

Sec. 2. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) ~~or (e)~~ and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in the case of a school district, on the proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) ~~Except as provided in paragraph (e),~~ For taxes levied in 1990 and 1991 and thereafter, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar

year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(c) ~~In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:~~

~~(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;~~

~~(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and~~

~~(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.~~

~~(f) The notice must clearly state that the proposed or final taxes do not include the following:~~

~~(1) special assessments;~~

~~(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;~~

~~(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and~~

~~(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.~~

Sec. 3. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING HEARINGS; 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. In three consecutive weeks beginning the second Monday in October, the governing bodies of the city and county shall hold public hearings to adopt their respective final budgets and property tax levies 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.~~

*(a) In the week beginning with the second Monday in October, each county shall hold its public hearing.*

*(b) In the week beginning with the third Monday in October, each school district shall hold its public hearing.*

*(c) In the week beginning with the fourth Monday in October, each city shall hold its public hearing.*

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, 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. 4. Minnesota Statutes 1990, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before ~~five working days after December 20~~ *November 15* in each year. A town must certify the levy adopted by the town board to the county auditor by September 1 each year. If the town board modifies the levy at a special town meeting after September 1, the town board must recertify its levy to the county auditor on or before ~~five working days after December 20~~ *November 15*. The taxes certified shall not be adjusted by the aid received under sections 273.1398, subdivisions 2 and 3, and 477A.013, subdivision 5. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 5. Minnesota Statutes 1990, section 275.07, subdivision 4, is amended to read:

Subd. 4. [REPORT TO COMMISSIONER.] On or before September 15 for taxes levied in 1990, and thereafter, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. On or before ~~January 15~~ *December 1*, for taxes levied in ~~1989~~ *1991* and thereafter, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1. The levies must be reported in the manner prescribed by the commissioner. The reports must show a total levy and the amount of each special levy.

Sec. 6. 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 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) (2) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10; and

(6) (3) 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.

Sec. 7. Minnesota Statutes 1990, section 276.04, subdivision 3, is amended to read:

Subd. 3. [MAILING OF TAX STATEMENTS.] The county treasurer shall mail to taxpayers statements of their personal property taxes due not later than ~~April 15~~ *March 31* for property taxes payable in 1990 ~~1991~~ and ~~March 31~~ *February 1* for property taxes payable in 1992 and thereafter, except in the case of manufactured homes and sectional structures taxed as personal property. Statements of the real property taxes due shall be mailed

not later than ~~April 15~~ *March 31* for property taxes payable in ~~1990~~ *1991* and ~~March 31~~ *February 1* for property taxes payable in 1992 and thereafter. The validity of the tax shall not be affected by failure of the treasurer to mail the statement. The taxpayer is defined as the owner who is responsible for the payment of the tax.

Sec. 8. Minnesota Statutes 1990, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

~~On the settlement day determined in section 276.09 for each year,~~ The county auditor and county treasurer shall distribute all undistributed funds in the treasury. The funds must be apportioned as provided by law, and credited to the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall report to the state auditor in the form prescribed by the state auditor. The county auditor shall issue a warrant for the payment of money in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive the payment. The county auditor may apply the local tax rate from the year before the year of distribution when apportioning and distributing delinquent tax proceeds, if the composition of the previous year's local tax rate between taxing districts is not significantly different from the local tax rate that existed for the year of the delinquency.

Sec. 9. Minnesota Statutes 1990, section 276.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] ~~As soon as practical after the settlement day determined in section 276.09, On or before April 30, August 14, and December 15,~~ the county treasurer shall pay to the state treasurer or the treasurer of a town, city, school district, or special district, on the warrant of the county auditor, all receipts of taxes levied by the taxing district and deliver up all orders and other evidences of indebtedness of the taxing district, taking triplicate receipts for them. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its receipt to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall keep the receipt in the clerk's office. ~~Upon written request of the taxing district, to the extent practicable, the county treasurer shall make partial payments of amounts collected periodically in advance of the next settlement and distribution.~~ A statement prepared by the county treasurer must accompany each payment. It must state the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties on the tax. ~~Upon written request of a taxing district, except school districts, the county treasurer shall pay at least 70 percent of the estimated collection within 30 days after the settlement date determined in section 276.09. Within seven business days after the due date, or 28 calendar days after the postmark date on the envelopes containing real or personal property tax statements, whichever is latest, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district, unless the school district elects to receive 50 percent of the estimated collections arising from taxes levied by and belonging to the school district after making a proportionate reduction to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within seven business days of the due~~

date. The remaining 50 percent of the estimated collections must be paid to the treasurer of the school district within the next seven business days of the later of the dates in the preceding sentence, unless the school district elects to receive the remainder of its estimated collections after a proportionate reduction has been made to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, the remaining 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within 14 days of the due date. The treasurer shall pay the balance of the any additional amounts collected to the state or to a municipal corporation or other body within 60 45 days after the settlement date determined in section 276.09 distribution dates of April 30, August 14, or December 15. After 45 days the time for payment by the treasurer elapses, interest at an annual rate of eight percent accrues and must be paid to the taxing district. Interest must be paid upon appropriation from the general revenue fund of the county. If not paid, it may be recovered by the taxing district, in a civil action.

Sec. 10. Minnesota Statutes 1990, section 277.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this subdivision, all unpaid personal property taxes shall be deemed delinquent on ~~May~~ March 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent if not paid before ~~May~~ March 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before ~~October~~ July 16, and thereupon a penalty of eight percent shall attach on the unpaid second half. ~~This section shall not apply to class 2a property.~~

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 11. Minnesota Statutes 1990, section 278.01, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.]

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed

at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor, one copy on the county attorney, and one copy on the county treasurer. In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of ~~May~~ *March* of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to ~~May~~ *March* 16 of the year in which the taxes are payable.

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the court administrator of the district court before the 16th day of ~~May~~ *March* of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Subd. 3. [EXCEPTION.] The procedures established by this section are not available to contest the validity or amount of any special assessment made pursuant to chapters 429, 430, any special law or city charter.

Sec. 12. Minnesota Statutes 1990, section 278.03, is amended to read:  
278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of ~~May~~ *March* next following the filing, the



petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next ~~October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural non-homestead property,~~ November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of ~~May March~~ or the 16th day of ~~October,~~ ~~or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property,~~ the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) that the proposed review is to be taken in good faith;

(2) that there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) that it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The petition shall be automatically reinstated upon payment of the entire tax plus interest and penalty if the payment is made within one year of the dismissal. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 13. Minnesota Statutes 1990, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within

ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of ~~October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, the 16th day of November,~~ of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of ~~October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, the 16th day of November,~~ of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 14. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

*Subd. 1a. [DUE DATES.] All taxes on real property are due in three equal installments, to be paid on March 15 or 20 calendar days after the postmark date on the envelope containing the property tax statement, whichever is later, July 15, and November 15.*

Sec. 15. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

*Subd. 2a. [PENALTIES.] Late payments of real property tax incur a penalty. The rate of the penalty increases with each successive month that the payment is late and is dependent upon the class of property taxed. The following is the schedule of penalties for late payment of property tax:*

<i>Property</i>	<i>March 16</i>	<i>April 1</i>	<i>May 1</i>	<i>June 1</i>	<i>July 1</i>	<i>July 16</i>	<i>Aug. 1</i>
<i>Class 1 and class 2:</i>							
<i>1st Installment (March 15)</i>	4%	5%	6%	7%	8%	—	8%
<i>2nd Installment (July 15)</i>						4%	5%
<i>3rd Installment (November 15)</i>							
<i>Class 3 and class 4:</i>							
<i>1st Installment (March 15)</i>	8%	9%	10%	11%	12%	—	12%
<i>2nd Installment (July 15)</i>						8%	9%
<i>3rd Installment (November 15)</i>							

	Sept. 1	Oct. 1	Nov. 1	Nov. 16	Dec. 1	The first business day in January
<i>Class 1 and class 2:</i>						
<i>1st Installment (March 15)</i>	8%	8%	8%	—	8%	10%
<i>2nd Installment (July 15)</i>	6%	7%	8%	—	8%	10%
<i>3rd Installment (November 15)</i>				4%	8%	10%
<i>Class 3 and class 4:</i>						
<i>1st Installment (March 15)</i>	12%	12%	12%	—	12%	14%
<i>2nd Installment (July 15)</i>	10%	11%	12%	—	12%	14%
<i>3rd Installment (November 15)</i>				8%	12%	14%

Sec. 16. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

*Subd. 3a. [EXTENDED DUE DATES.] Notwithstanding subdivision 2a, if any of the due dates provided in subdivision 1a are extended as a result of a delay in mailing property tax statements, no penalty accrues if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had not been extended must be charged.*

Sec. 17. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

*Subd. 4. [PARTIAL PAYMENTS.] The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.*

Sec. 18. 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 percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 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 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.

*(c) If the revenue derived from tax increments of any district is insufficient to expend on activities in the district for which binding contracts were entered into prior to April 30, 1991, or to pay bonds issued prior to April 30, 1991, increments from within the defined geographic area of the project may be expended on the activities or bonds for the district. If the revenue derived from tax increments of one district is insufficient to pay bonds issued under section 469.178, the authority must, in the next levy year, levy in an amount to pay the insufficiency.*

Sec. 19. Minnesota Statutes 1990, section 469.177, is amended by adding a subdivision to read:

*Subd. 1b. [LOCAL TAX RATE; CONVERSION TO MILLS.] The county auditor shall ensure that the calculations of local tax rates for tax increment districts certified after April 30, 1988, are made consistent with the provisions of section 273.126.*

Sec. 20. Minnesota Statutes 1990, section 469.177, subdivision 7, is amended to read:

*Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in ~~net tax capacity~~ taxable values resulting therefrom shall be applied proportionately to original net ~~tax capacity~~ taxable value and captured net ~~tax capacity~~ taxable value of any tax increment financing district in each year thereafter. This subdivision applies to tax increment districts created pursuant to sections 469.174 to 469.178 or any prior tax increment law.*

Sec. 21. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall change the headnote of Minnesota Statutes, section 469.1763, from "RESTRICTIONS ON POOLING; FIVE-YEAR LIMIT" to "RESTRICTIONS AND REQUIREMENTS REGARDING POOLING; FIVE-YEAR LIMIT."*

Sec. 22. [REPEALER.]

*Minnesota Statutes 1990, sections 276.09; 276.11, subdivisions 2 and 3; 276.111; and 279.01, subdivisions 1, 2, and 3, are repealed.*

Sec. 23. [EFFECTIVE DATE.]

*Sections 1 to 17 and 22 are effective for taxes levied in 1991, payable in 1992. Sections 18 and 20 are effective on the day following final enactment. Section 19 is effective for taxes levied in 1993, payable in 1994, and thereafter."*

Page 60, line 34, delete "\$37,500,000" and insert "\$50,000,000"

Page 61, line 8, delete "\$87,000,000" and insert "\$200,000,000"

Renumber the articles in sequence and correct the internal references  
Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the negative 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	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	

The motion did not prevail. So the amendment was not adopted.

Mr. Waldorf moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 74, after line 30, insert:

“Section 1. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.]  
For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, “textbooks” includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. “Textbooks” does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets,

doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. ~~In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;~~

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; and

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491."

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Knaak	Olson	Vickerman
Benson, J.E.	Frank	Kroening	Pariseau	Waldorf
Bernhagen	Frederickson, D.R.	Laidig	Renneke	
Bertram	Halberg	Larson	Sams	
Davis	Johnston	Lessard	Solon	
Day	Kelly	Metzen	Stumpf	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Price
Belanger	Dicklich	Johnson, D.J.	Moe, R.D.	Ranum
Benson, D.D.	Finn	Johnson, J.B.	Mondale	Reichgott
Berg	Flynn	Langseth	Morse	Samuelson
Berglin	Frederickson, D.J.	Luther	Neuville	Spear
Brataas	Gustafson	Marty	Pappas	Traub
Chmielewski	Hottinger	McGowan	Piper	
Cohen	Hughes	Mehrkens	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 4, after line 19, insert:

"Sec. 4. [STATE SPENDING REDUCTIONS.]

*The commissioner of finance shall determine \$24,000,000 in total expenditure reductions among the legislature, the judicial branch, state agencies, the governor's office, and the offices of the constitutional officers. The reduction as to each entity shall be determined in proportion to their total general fund appropriation for fiscal years 1992-1993. Once the appropriate amount has been determined as to each entity, the governor shall implement these reductions. To the extent possible, each entity shall implement its budget reduction by reducing expenditures for upper and middle management personnel."*

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Bertram	Frank	Knaak	Mondale
Belanger	Brataas	Frederickson, D.R.	Laidig	Neuville
Benson, D.D.	Cohen	Gustafson	Larson	Olson
Benson, J.E.	Dahl	Halberg	Lessard	Pariseau
Berg	Davis	Johnson, D.E.	McGowan	Renneke
Bernhagen	Day	Johnston	Mehrkens	Sams

Those who voted in the negative were:

Adkins	Hottinger	Marty	Pogemiller	Spear
Chmielewski	Hughes	Merriam	Price	Stumpf
DeCramer	Johnson, D.J.	Metzen	Ranum	Traub
Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott	Vickerman
Finn	Kroening	Morse	Riveness	Waldorf
Flynn	Langseth	Novak	Samuelson	
Frederickson, D.J.	Luther	Piper	Solon	

The motion did not prevail. So the amendment was not adopted.

Mrs. Brataas moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 93, after line 1, insert:

"Sec. 8. Laws 1983, chapter 342, article 19, section 1, is amended to read:

Section 1. [SALES AND USE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city, and may also, by ordinance, impose an additional compensating use tax of up to one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the city."

Page 97, delete section 13

Page 97, line 16, delete "Section 13 is" and insert "Section 8 is effective January 1, 1984."

Page 97, delete line 17

Renumber the sections of article 8 in sequence and correct the internal

## references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 1086 as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 89, after line 14, insert:

“Sec. 3. Minnesota Statutes 1990, section 297A.25, subdivision 7, is amended to read:

Subd. 7. [PETROLEUM PRODUCTS; *OTHER EROSION CONTROL MATERIALS.*] (a) The gross receipts from the sale of and storage, use or consumption of the following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under the provisions of chapter 296, and no refund has been or will be allowed because the buyer used the fuel for nonhighway use, or

(2) products which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures.

*(b) The gross receipts from the sale of and storage, use, or consumption of seed, sod, and other materials directly applied to agricultural land for the purposes of controlling erosion of the soil are exempt.”*

Page 97, line 11, after the period, insert “*Section 3 is effective for sales after January 1, 1990, and for outstanding balances due on January 1, 1990, for sales after December 31, 1985.*”

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 57, after line 15, insert:

“Sec. 4. Minnesota Statutes 1990, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.] (a) For aid payable in 1991, homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990 and subsequent years, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.



(b)(1) The 1990 and 1991 homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction. The net tax capacity adjustment is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's taxes levied bears to the total taxes levied in the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and 1991 shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), 4, paragraph (d), and 5.

(e) Payments under this subdivision to towns in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

(f) Payments under this subdivision to cities in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivisions 6 and 7.

(g) Payments under this subdivision to special taxing districts, excluding hospital districts and the regional transit board defined in section 473.373, in 1990 and 1991 shall be reduced by an amount equal to 2.35 percent of the amount levied for taxes payable in 1990, before reduction for homestead and agricultural credit aid and disparity reduction aid. Payments under this subdivision to the regional transit board in 1990 and 1991 shall be reduced by \$450,000.

(h) Payments under this subdivision to all taxing jurisdictions in 1992 and subsequent years are equal to the product of (1) the homestead and agricultural credit aid base, and (2) the growth adjustment factor, plus the net tax capacity adjustment and the fiscal disparity adjustment.

*(i) Payments under this subdivision in 1991 and subsequent years shall be reduced by the amount of taconite municipal aid received by the jurisdiction that year under section 298.282."*

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Neuville	Waldorf
Benson, D.D.	Frederickson, D.R.	Larson	Olson	
Benson, J.E.	Halberg	McGowan	Pariseau	
Bernhagen	Johnston	Mehrkens	Renneke	
Brataas	Knaak	Merriam	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Novak	Sams
Beckman	Dicklich	Johnson, J.B.	Pappas	Samuelson
Berglin	Finn	Lessard	Piper	Solon
Bertram	Flynn	Luther	Pogemiller	Spear
Chmielewski	Frank	Marty	Price	Stumpf
Cohen	Frederickson, D.J.	Metzen	Ranum	Traub
Dahl	Hottinger	Mondale	Reichgott	Vickerman
Davis	Hughes	Morse	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Morse moved to amend H.F. No. 1086, as amended by the Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1009.)

Page 82, after line 36, insert:

“Sec. 8. Minnesota Statutes 1990, section 290.431, is amended to read:  
290.431 [NONGAME WILDLIFE CHECKOFF.]

*Subdivision 1. [AUTHORIZATION.]* 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 into an account to be established for the management of nongame wildlife. 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 the nongame wildlife management account. 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. 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.

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.

*Subd. 2. [APPROPRIATION.]* *If the sum of the amounts designated under this section and section 290.432 in any year is less than the average of the annual amounts for the preceding five years, there is appropriated from the general fund to the commissioner of natural resources for use by the nongame program of the section of wildlife in the department of natural resources an amount equal to the difference between the amount designated for that year and the average for the preceding five years.”*

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1086 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 34 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott
Beckman	Finn	Kelly	Morse	Samuelson
Berglin	Flynn	Langseth	Novak	Solon
Bertram	Frederickson, D.J.	Lessard	Pappas	Spear
Cohen	Hottinger	Luther	Piper	Stumpf
Davis	Hughes	Merriam	Pogemiller	Vickerman
DeCramer	Johnson, D.J.	Metzen	Price	

Those who voted in the negative were:

Belanger	Dahl	Johnston	Mehrrens	Riveness
Benson, D.D.	Day	Knaak	Mondale	Sams
Benson, J.E.	Frank	Kroening	Neuville	Storm
Berg	Frederickson, D.R.	Laidig	Olson	Traub
Bernhagen	Gustafson	Larson	Pariseau	Waldorf
Brataas	Halberg	Marty	Ranum	
Chmielewski	Johnson, D.E.	McGowan	Renneke	

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

Mr. Johnson, D.J. moved that S.F. No. 1009, No. 198 on General Orders, be stricken and laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1315 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. 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. 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; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 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, 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 18, after line 12, insert:

"Sec. 6. Minnesota Statutes 1990, section 462A.05, subdivision 20, is amended to read:

Subd. 20. (a) The agency may make loans or grants to for profit, limited dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide temporary or transitional housing to low- and moderate-income persons and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency.

(b) *Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision. Housing for chronic chemically dependent adults must satisfy the following conditions:*

(1) *be certified by the department of health or the city as a board and lodging facility;*

(2) *meet all applicable health, building, fire-safety and zoning requirements;*

(3) *be located in a nonresidential area significantly distant from the present location of county detoxification service sites;*

(4) *make available the services of trained personnel to appraise each client before or upon admission and to provide information about medical, job training, and chemical dependency services as necessary;*

(5) *provide on-site security designed to ensure the health and safety of clients, staff, and neighborhood residents; and*

(6) *operate with the guidance of a neighborhood-based board.*

*Priority for loans and grants made under this paragraph must be given to proposals which address the needs of the Native American population and veterans of military services for this type of housing.*

(c) Loans or grants pursuant to this subdivision shall not be used for residential care facilities or for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and the appropriate security should repayment be required."

Renumber the sections of article 3 in sequence

Pages 39 to 47, delete sections 1 to 3

Page 48, line 35, delete "and"

Page 49, lines 4 and 6, reinstate the stricken language

Page 49, line 5, reinstate the stricken language and after "for" insert "construction of new"

Page 49, line 8, delete "Sections" and insert "Section" and delete everything after "I"

Page 49, line 9, delete everything before "is"

Page 49, line 11, delete “. Section 4 is” and insert “and applies to”

Page 49, line 12, delete “effective for”

Page 49, line 13, delete “5” and insert “2” and before the period, insert “and applies to all tax increment districts, regardless of the date of certification”

Renumber the sections of article 7 in sequence

Page 49, after line 13, insert:

## “ARTICLE 8

### WAGE SUBSIDY PROGRAM

#### Section 1. [268.551] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For the purposes of this section and section 2, the terms defined in this section have the meanings given them.*

*Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of the department of jobs and training.*

*Subd. 3. [ELIGIBLE APPLICANT.] “Eligible applicant” means a person who:*

*(1) has been a resident of this state for at least one month;*

*(2) is unemployed;*

*(3) is not receiving and is not eligible to receive unemployment compensation; and*

*(4) belongs to a category of individuals that have a national unemployment rate that is determined by the Bureau of Labor Statistics to be at least twice that of the state unemployment rate for all individuals.*

*Subd. 4. [EMPLOYER.] “Employer” means a private or public employer.*

#### Sec. 2. [268.552] [WAGE SUBSIDY PROGRAM.]

*Subdivision 1. [CREATION.] The commissioner shall provide wage subsidies to eligible applicants for work with an employer in the manner and amount specified in this section.*

*Subd. 2. [AMOUNT AND DURATION OF SUBSIDY.] The maximum subsidy is \$4 per hour for wages and \$1 per hour for fringe benefits. The subsidy for an eligible applicant may be paid for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from other sources to provide increased wages to applicants they employ.*

*Subd. 3. [CONTRACTS TO ADMINISTER.] The commissioner may contract with local service units or certified local service providers to deliver the wage subsidies. The contract must require that no more than five percent of the contract amount be expended for administration.*

*Subd. 4. [AREA ALLOCATION OF SUBSIDIES.] Wage subsidy money must be allocated to local service units based on the number of eligible applicants in that area compared to the state total of eligible applicants. Money may be reallocated if it otherwise would not be used.*

*Subd. 5. [ALLOCATION TO APPLICANTS.] Priority for subsidies shall be in the following order:*

*(1) applicants living in households with no other income source;*

(2) applicants whose incomes and resources are less than the standard for eligibility for general assistance or work readiness; and

(3) applicants who are eligible for aid to families with dependent children.

Subd. 6. [OUTREACH.] A local service unit shall publicize the availability of wage subsidies within its area.

Subd. 7. [REPORTS.] Each entity delivering wage subsidies shall report to the commissioner on a quarterly basis:

(1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;

(2) the outcome for each participant placed;

(3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each local service unit for wages for each type of employment and each type of other expense;

(5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;

(6) the amount of wages received by persons while in the program and 60 days after completing the program;

(7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and

(8) any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 8. [PART-TIME EMPLOYMENT.] Subsidies under this section may be paid for part-time jobs.

Subd. 9. [LAYOFFS; WORK REDUCTIONS.] An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other person is on layoff from the same or a substantially equivalent job.

Subd. 10. [RULES.] The commissioner may adopt rules to implement this section.

Sec. 3. [APPROPRIATION.]

§ . . . . . is appropriated to the commissioner of jobs and training from the general fund for the biennium ending June 30, 1993, for the purposes of section 2.”

Amend the title as follows:

Page 1, delete line 21

Page 1, line 22, delete “residential real estate;”

Page 1, line 27, delete “273.124, subdivisions 1 and 11; 273.13,”

Page 1, line 28, delete "subdivision 25;"

Page 1, line 29, after the comma, insert "subdivision 20, and"

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

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

S.F. No. 3: 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; creating a cost-share program 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; requiring the state to apply for authority to administer the permit program under section 404 of the federal Clean Water Act; appropriating money; amending Minnesota Statutes 1990, sections 84.085; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.141; 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; 273.111, subdivision 4; and 282.018, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; 103G; and 116P; repealing Minnesota Statutes 1990, section 273.11, subdivision 10.

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

Page 17, lines 28 to 36, reinstate the stricken language

Page 18, lines 1 and 2, reinstate the stricken language

Page 18, line 3, reinstate the stricken language and after the reinstated "bottoms" insert "; or (3) land"

Page 21, line 18, after "(10)" insert ", clause (3)"

Page 21, line 26, delete "for purposes of taxes levied beginning in 1991"

Page 22, delete lines 7 to 12 and insert:

"Sec. 8. [EFFECTIVE DATE.]

*Sections 6 and 7 are effective for taxes levied in 1991, payable in 1992, and thereafter."*

Page 41, after line 28, insert:

"Sec. 14. Minnesota Statutes 1990, section 645.44, subdivision 8a, is amended to read:



Subd. 8a. [PUBLIC WATERS.] "Public waters" means public waters as defined in section 103G.005, subdivision 15, and includes "*public waters wetlands*" as defined in section 103G.005, subdivision 18."

Renumber the sections of article 6 in sequence

Pages 52 to 56, delete sections 2 to 5

Page 57, delete sections 7 and 8 and insert:

"Sec. 3. [STUDY OF FARMLAND VALUATION.]

*(a) The commissioner of revenue shall appoint a five-member farmland assessment technical advisory board, consisting of technical experts from the schools of agriculture of the University of Minnesota and the state college system and from state and federal agricultural agencies, to advise in and provide technical information regarding the method of valuing farmland according to productivity factors as described in this section. 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 indices, the crop mix for each soil productivity index as determined by the Minnesota 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 Minnesota 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 Service 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. The commissioner shall provide a report to the legislature on the results of the study by December 1, 1991, that includes a plan for implementation of this method of valuing farmland and an analysis of the impacts on assessments of implementing it."*

Renumber the sections of article 11 in sequence

Amend the title as follows:

Page 1, line 21, delete "modifying the method"

Page 1, delete line 22

Page 1, line 23, delete "tax purposes" and insert "requiring a study of farmland valuation"

Page 1, line 30, delete "124.2131, subdivision 1;"

Page 1, delete line 31

Page 1, line 32, delete "273.111, subdivision 4; and" and after "2;" insert "and 645.44, subdivision 8a;"

Page 1, line 34, delete "; repealing Minnesota"

Page 1, line 35, delete everything before the period

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, 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 be amended as follows:

Page 15, delete lines 30 to 36

Page 16, delete lines 1 to 10

Page 16, line 11, delete "5" and insert "4"

Page 16, line 19, delete "6" and insert "5"

Pages 19 to 29, delete sections 19 to 28

Page 29, line 22, delete "29" and insert "19"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert "and" and delete "474A.02, subdivisions 13a and 23a;"

Page 1, delete line 10

Page 1, line 11, delete everything before "proposing"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-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 family stabilization demonstration project, 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:

Pages 1 and 2, delete section 1 and insert:

“Section 1. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

*Subd. 22. [NONPROFIT ORGANIZATION.] “Nonprofit organization” means a housing and redevelopment authority established under sections 469.001 to 469.047, or other law, or a partnership, joint venture, corporation, or association which is established for a purpose not involving pecuniary gain to the members, partners, or shareholders; pays no dividends or other pecuniary remuneration to the members, partners, or shareholders; and in the case of a private nonprofit corporation, is established under chapter 317A and is in compliance with chapter 317A. A nonprofit organization does not include a limited dividend entity.”*

Page 2, line 16, after “grants” insert “or loans”

Page 2, line 18, after “of” insert “existing”

Page 2, line 19, delete “single-family”

Page 2, line 22, after the first “the” insert “greater of (1) state median income, or (2) area or county” and after “median” delete “area”

Page 2, line 26, after the period, insert “A loan made under this subdivision must be repaid to the agency upon sale of the housing. The agency may only make grants or loans under this subdivision from funds specifically appropriated by the legislature for that purpose.”

Page 2, line 30, delete everything after “make”

Page 2, line 31, delete everything before “grants” and after “cities” insert “for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted residential property or construction of new housing on the property. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development”

Page 2, line 33, after “grants” insert “to eligible mortgagors”

Page 3, delete lines 1 to 6

Page 3, delete lines 13 to 18 and insert:

*“(b) “Gross income” means for a family or individual receiving rental assistance under this section, the gross amount of the wages, salaries, social security payments, pensions, workers’ compensation, unemployment compensation, public assistance payments, alimony, child support, and income from assets received by the family or individual.*

*(c) “Local housing agency” means the agency of local government responsible for administering the United States Department of Housing and Urban Development’s section 8 existing voucher and certificate program.”*

Page 3, line 19, delete “(c) “Program” ” and insert “(d) “Self-sufficiency program or program” ”

Page 3, line 29, delete "60" and insert "50" and before "area" insert "county or" and after "income" insert "adjusted for family size"

Page 3, line 32, before "area" insert "county or" and after "The" insert "agency may contract with a local housing agency to administer the rent assistance under this section. The local housing agency must be paid an administrative fee. The administrative fee is equal to the greater of ten percent of the amount of the subsidy or \$15 per unit per month."

Page 3, delete lines 33 to 35

Page 3, line 36, delete "eligible tenants."

Page 4, line 1, after "subdivision" insert "to families or individuals receiving public assistance" and delete "whenever"

Page 4, line 2, delete "possible"

Page 4, line 11, after the period, insert "The amount of the family's or individual's portion of the rental payment is equal to at least 30 percent of gross income."

Page 5, line 1, after "families" insert "who at the time of initial eligibility for rental assistance under this section were"

Page 5, line 2, delete everything after "assistance" and insert ", and had a caretaker parent participating in a self-sufficiency program and at least one minor child. For the purposes of this subdivision, public assistance means aid to families with dependent children, family general assistance, or family work readiness. The funds may be distributed on a request for proposal basis."

Page 5, delete lines 3 and 4

Page 5, line 5, delete "the demonstration project."

Page 5, line 14, after "city" insert "financial"

Page 5, line 16, delete "LOAN POOL" and insert "RESERVE FUND"

Page 5, line 17, delete "loan pool" and insert "reserve fund"

Page 5, line 18, after "city" insert "funds for the purpose of securing"

Page 5, line 19, delete "pool" and insert "reserve fund"

Page 5, line 20, after "issue" insert "appropriate debt capital instruments, including"

Page 5, line 21, after "bonds" insert a comma and delete everything after "the"

Page 5, line 22, delete "loan-loss" and after "reserve" insert "fund" and delete everything after "may" and insert "use the reserve fund"

Page 5, line 23, delete "bonds" and insert "debt instruments" and delete "Bond"

Page 5, line 25, delete "loan-loss" and after "reserve" insert "fund"

Page 5, line 26, delete everything after "to" and insert "provide additional security for loans provided by public agencies and"

Amend the title as follows:

Page 1, line 8, delete "273.124, subdivision 7;" and insert "462A.03,

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.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

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

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

Messrs. Merriam and Morse introduced—

S.F. No. 1549: A bill for an act relating to the environment; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of the siting of waste facilities; amending the planning and siting process for new large solid waste management facilities and expansions of facilities to provide for earlier environmental review and public participation processes; amending Minnesota Statutes 1990, section 115A.32; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

### **MEMBERS EXCUSED**

Mr. Storm was excused from the Session of today from 11:25 a.m. to 1:20 p.m. Mr. Finn was excused from the Session of today from 2:30 to 2:45 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Friday, May 3, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-SIXTH DAY

St. Paul, Minnesota, Friday, May 3, 1991

The Senate met at 8:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Mondale 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	Day	Johnson, J.B.	Moe, R.D.	Riveness
Beckman	DeCramer	Johnston	Mondale	Sams
Belanger	Dicklich	Knaak	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	Mehrrens	Ranum	
Dahl	Johnson, D.E.	Merriam	Reichgott	
Davis	Johnson, D.J.	Metzen	Renneke	

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

April 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:

## JUDGE, MINNESOTA TAX COURT

Kathleen Doar, 1617 West 25th Street, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective May 6, 1991, for a term expiring on the first Monday in January, 1997.

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

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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1535: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating the higher education board; merging the state university, community college, and technical college systems; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; 179A.10, subdivision 2; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; 136E; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

Senate File No. 1535 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1991

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1535, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1533: A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

Senate File No. 1533 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1991

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1533, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 593 and 1074.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 53.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

### **FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

H.F. No. 53: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269,



sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

Mr. Moe, R.D. moved that H.F. No. 53 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

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

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

S.F. No. 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.

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

Page 3, line 6, reinstate the stricken "October" and delete the new language and insert "31"

Page 3, line 7, delete the new language

Page 4, after line 26, insert:

"Sec. 5. [462C.14] [HOUSING PROGRAM AND DEVELOPMENTAL FINANCIAL SERVICES.]

*Subdivision 1. [AUTHORIZATION TO PROVIDE SERVICES.] A city, as defined in section 462C.02, subdivision 6, may provide housing program and development financial services, including mortgage banking services, for housing. The services provided by the city may include all housing program and development financial services, including origination of loans or other indebtedness, administration and servicing of loans or other indebtedness, arranging for mortgage insurance from private or public sources, and other related services. For this purpose, the city may exercise any of the powers relating to housing or housing finance provided in this section and the powers of a city under chapter 462C, a housing and redevelopment authority under chapter 469, or the Minnesota housing finance agency under chapter 462A. Housing program and development financial services provided by the city are determined to be for the public purpose of ensuring an adequate supply of affordable, decent, safe, and sanitary housing. A city may form a corporation under chapter 302A or 317A controlled by the city and delegate to it the power to exercise the powers granted to the city by this section.*

*Subd. 2. [BOUNDARY LIMITATIONS.] A city may provide housing*

*program and development financial services only within its corporate boundaries, except to the extent that a joint powers agreement or contract authorizes a city to provide the services within the boundaries of another city or within the jurisdiction of a state agency and except to the extent the services are provided with respect to housing located outside the state.*

*Subd. 3. [JOINT ACTION.] Two or more cities, or housing and redevelopment authorities or port authorities authorized to exercise the powers of a city under chapter 462C, or a joint powers board formed by them, may act jointly pursuant to section 471.59 and this section or may delegate the exercise of their powers under this section to a corporation controlled by them. A city as defined in section 462C.02, subdivision 6, or other political subdivision or state agency may contract with the city or a joint powers board or a corporation for housing program and development financial services for housing.*

*Subd. 4. [OBLIGATIONS.] The city may issue bonds or other obligations and apply their proceeds for any proper purpose of the city or a corporation formed by the city relating to housing program and development financial services. Bonds or other obligations issued for a specific program or development shall be issued only in accordance with sections 462C.01 to 462C.07 to the extent required by section 462C.08. Bonds or obligations issued for financial services purposes may be sold at public or private sale, without an election, on the terms and conditions the city shall determine. For that purpose, the city may exercise any of the powers that a housing and redevelopment authority may exercise under chapter 469, or the Minnesota housing finance agency may exercise under chapter 462A, in either case without limitation under the provisions of chapter 475. The city or corporation may purchase real or personal property used or useful for housing program or development financial services under an installment contract, or lease real or personal property with an option to purchase under a lease purchase agreement. The city may issue bonds or other obligations secured by obligations under an installment contract or lease, in the manner provided in this section for other bonds or obligations issued for financial services purposes.”*

Page 5, lines 20, 27, 34, and 36, after “municipality” insert “or redevelopment agency”

Pages 7 and 8, delete section 10 and insert:

“Sec. 11. Minnesota Statutes 1990, section 475.60, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) obligations sold by an issuer in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;

(3) obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;

(4) obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency;

(5) obligations issued to fund pension and retirement fund liabilities under section 475.52, subdivision 6, obligations issued with tender options under section 475.54, subdivision 5a, crossover refunding obligations referred to in section 475.67, subdivision 13, and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in section 475.56;

(6) obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation;

(7) obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement; ~~and~~

(8) obligations sold under a bond reinvestment program; *and*

(9) *if the municipality has retained an independent financial advisor, obligations which the governing body determines shall be sold by private negotiation."*

Page 9, line 4, strike "governments" and insert "*government*" and strike "are" and insert "is"

Page 9, lines 5 and 6, delete the new language

Page 9, line 7, reinstate the stricken language

Page 9, line 9, after "state" insert "*, or (4) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency*"

Page 9, line 11, after "service" insert "*and provided that investments under clause (4) must be in obligations that are rated AA or better by a national bond rating service*"

Pages 10 and 11, delete section 12 and insert:

"Sec. 13. Minnesota Statutes 1990, section 475.67, subdivision 3, is amended to read:

Subd. 3. (a) Any or all obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon.

(b) Any or all obligations of one or more issues regardless of their source of payment and interest thereon may be refunded before their due dates, if:

(1) consistent with covenants made with the holders thereof, ~~when~~; *and*

(2) determined by the governing body to be necessary or desirable:

(i) for the reduction of debt service cost to the municipality; or

(ii) for the extension or adjustment of the maturities in relation to the resources available for their payment; *or*

(iii) for the issuance of obligations bearing a fixed rate of interest in the case of obligations bearing interest at a rate varying periodically; or

(iv) in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded; ~~provided.~~

(c) The amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6; ~~but.~~ In no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded.

(d) No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless ~~such~~ *the* issuance is authorized by ~~such~~ *the* election, hearing, petition, resolution, or other procedure ~~as that~~ would have been required as a condition precedent to the original issuance of general obligations for the same purpose.”

Page 12, delete section 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete “1” and insert “2”

Page 1, line 10, delete “chapter” and insert “chapters 462C and” and delete “; repealing” and insert a period

Page 1, delete line 11

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

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

S.F. No. 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.

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 273.112, subdivision 7, is amended to read:

Subd. 7. When real property which is being, or has been, valued and assessed under this section no longer qualifies under subdivision 3, the portion which no longer qualifies shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5, provided, however, that the amount determined under subdivision 5 shall not

be greater than it would have been had the actual bona fide sale price of the real property at an arms length transaction been used in lieu of the market value determined under subdivision 5. The additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on the additional taxes if timely paid, and provided further, that the additional taxes shall only be levied with respect to the last seven years that the property has been valued and assessed under this section. *This subdivision does not apply to real property that ceases to qualify under subdivision 3 because it is acquired by the state of Minnesota or a political subdivision, agency, or instrumentality of the state.*"

Page 1, line 18, delete "in 1991 or" and insert "after December 30, 1990."

Page 1, delete lines 19 and 20

Amend the title as follows:

Page 1, line 6, delete "by adding a"

Page 1, line 7, after "subdivision" insert "7"

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. 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 3, line 2, after the period, insert "*A commissioner appointed jointly by the city council and town board may be removed for cause only by action of a majority of the city council and a majority of the town board. The city council and town board shall each pay one-half of that commissioner's reimbursements and compensation.*"

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. 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.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 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 1, after line 14, insert:

“ARTICLE 1  
BOND ALLOCATION”

Page 8, line 16, after “*authority*” insert “*for the county of Dakota and all political subdivisions located within the county*”

Page 21, after line 20, insert:

“ARTICLE 2  
AGRICULTURAL DEVELOPMENT BONDS

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 7 to 18 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.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).*

Sec. 6. 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 7 to 18 may be released as required by federal tax law.*

Sec. 7. [41C.01] [SHORT TITLE.]



*This chapter shall be called and may be cited as the "Minnesota agricultural development act."*

Sec. 8. [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. 9. [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. 10. [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. 11. [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 Farm Credit System or Farmers Home Administration 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. 12. [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. 13. [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. 14. [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. [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. 5. [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. 15. [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. 16. [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. 17. [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. 18. [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. 19. [AGRICULTURAL DEVELOPMENT BONDS.]**

*Subdivision 1. [1991 UNIFIED POOL RESERVATION.] Notwithstanding Minnesota Statutes, section 474A.091, 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 beginning farmer and agricultural business enterprise loan program. This reservation remains in effect until the last Monday in November.*

*Subd. 2. [1992 MANUFACTURING POOL RESERVATION.] Notwithstanding Minnesota Statutes, section 474A.03, for calendar year 1992, \$10,000,000 must be reserved from the manufacturing pool for use by the Minnesota rural finance authority for the agricultural development bond beginning farmer and agricultural business enterprise loan program.*

*Subd. 3. [MINNESOTA RURAL FINANCE AUTHORITY.] For purposes of this section and Minnesota Statutes, chapter 474A, the Minnesota rural finance authority is an entitlement issuer. The Minnesota rural finance authority is not required to submit an application deposit or any additional deposit required under Minnesota Statutes, chapter 474A, for the reservations required under subdivisions 1 and 2.*

*Subd. 4. [FINAL ALLOCATION.] Any bonding authority remaining unissued by the Minnesota rural finance authority 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. 20. [EFFECTIVE DATE.]**

*Sections 1 to 19 are effective the day after final enactment."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "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;"

Page 1, line 4, after "sections" insert "41B.025, subdivisions 1, 3, and 6; 41B.03, subdivision 3; 41B.036; 41B.211;"

Page 1, line 11, after the semicolon, insert "proposing coding for new law as Minnesota Statutes, chapter 41C;"

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1179, 856, 1164 and 579 were read the second time.

### MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

#### SPECIAL ORDER

S.F. No. 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; 1031.601, subdivision 4; and 1031.605, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

#### SPECIAL ORDER

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.

Was read the third time 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	Dicklich	Kroening	Morse	Sams
Beckman	Finn	Langseth	Neuville	Samuelson
Belanger	Flynn	Larson	Novak	Spear
Benson, D.D.	Frederickson, D.J.	Lessard	Olson	Storm
Benson, J.E.	Frederickson, D.R.	Luther	Pappas	Stumpf
Berg	Halberg	Marty	Pariseau	Traub
Bertram	Hottinger	McGowan	Piper	Vickerman
Chmielewski	Hughes	Mehrkens	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Merriam	Price	
Dahl	Johnson, D.J.	Metzen	Ranum	
Day	Johnson, J.B.	Moe, R.D.	Reichgott	
DeCramer	Johnston	Mondale	Renneke	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 813: A bill for an act 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

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; and 466.03, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 1208: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

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.

Was read the third time 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Neuville voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Mondale	Renneke
Beckman	Finn	Johnston	Morse	Riveness
Belanger	Flynn	Kroening	Neuville	Sams
Benson, J.E.	Frederickson, D.J.	Larson	Olson	Samuelson
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Spear
Bertram	Halberg	Luther	Pariseau	Storm
Chmielewski	Hottinger	Marty	Piper	Stumpf
Cohen	Hughes	McGowan	Price	Traub
Dahl	Johnson, D.E.	Mehrkens	Ranum	Vickerman
Day	Johnson, D.J.	Metzen	Reichgott	Waldorf

So the bill passed and its title was agreed to.

### SPECIAL ORDER

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.

Mr. Knaak moved to amend S.F. No. 822 as follows:

Page 1, line 22, after the period, insert "*Before conveying or developing the property, the state, agency, or political subdivision shall take any removal or remedial actions on the property that the agency determines are necessary to protect the public health or welfare or the environment.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 822 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1006: A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

Mr. Chmielewski moved to amend H.F. No. 1006, as amended pursuant to Rule 49, adopted by the Senate April 17, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 754.)

Page 1, line 13, before the period, insert "*or for another public purpose*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1006 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	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	Knaak	Mondale	Renneke
Berg	Flynn	Kroening	Morse	Riveness
Berglin	Frederickson, D.J.	Laidig	Neuville	Sams
Bernhagen	Frederickson, D.R.	Langseth	Novak	Spear
Bertram	Gustafson	Larson	Olson	Stumpf
Chmielewski	Halberg	Lessard	Pappas	Traub
Cohen	Hottinger	Luther	Pariseau	Vickerman
Dahl	Hughes	Marty	Piper	Waldorf

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

### SPECIAL ORDER

S.F. No. 762: A bill for an act relating to health; modifying restrictions on disclosing birth record of a child born to an unmarried woman; allowing

the woman to designate whether data will be confidential; amending Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4.

Ms. Pappas moved to amend S.F. No. 762 as follows:

Page 2, line 3, delete the second "or" and before the period, insert "*or under paragraph (b)*"

Page 2, after line 4, insert:

*"(b) Unless the child is adopted, data pertaining to the birth of a child that are not accessible to the public become public data if 100 years have elapsed since the birth of the child who is the subject of the data, or as provided under section 13.10, whichever occurs first."*

Page 2, line 5, delete "(b)" and insert "(c)"

Page 2, after line 20, insert:

"Sec. 3. [APPLICATION TO EXISTING DATA.]

*(a) Section 1, paragraph (a), is effective August 1, 1991, and applies to data pertaining to births that occur on or after that date. The mother of a child who was born before August 1, 1991, and who was not adopted, may file an affidavit with the state registrar designating that data pertaining to the birth that were not accessible to the public under Minnesota Statutes 1990, section 144.225, subdivision 2, become public data.*

*(b) Section 1, paragraph (b), is effective August 1, 1991, and applies to data pertaining to births that occur before, on, or after the effective date."*

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 762 as follows:

Page 1, line 13, after "child" insert "*to a woman who was not married to the child's father when the child was conceived nor when the child was born*"

Page 1, line 14, delete "*public*" and insert "*confidential*"

Page 1, line 25, delete "*confidential*" and insert "*public*" and delete "*as defined in section*"

Page 1, line 26, delete "*13.02, subdivision 3*"

Page 2, line 3, delete "*. If the data are*"

Page 2, line 4, delete everything before the period

Amend the title as follows:

Page 1, line 2, delete "modifying" and insert "changing"

Page 1, line 4, delete "allowing the woman to designate"

Page 1, line 5, delete "whether data will be confidential;"

The motion prevailed. So the amendment was adopted.

S.F. No. 762 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

### SPECIAL ORDER

H.F. No. 375: A bill for an act relating to marriage; providing for solemnization of marriages by certain court officers; amending Minnesota Statutes 1990, section 517.04.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

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.

Mrs. Pariseau moved to amend S.F. No. 331 as follows:

Page 1, after line 11, insert:

“Sec. 2. Minnesota Statutes 1990, section 473.155, subdivision 3, is amended to read:

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate a search area for a major new airport. *Before designating a final search area, the council shall complete a study comparing the feasibility and cost of expanding the current airport with relocating and developing a new airport site.*

Sec. 3. Minnesota Statutes 1990, section 473.1551, subdivision 1, is amended to read:



Subdivision 1. [CANDIDATE SEARCH AREAS PROTECTION.] (a) The provisions of this subdivision apply within areas designated by the metropolitan council as candidates for selection as a search area for a new major airport under section 473.155, subdivision 3. ~~The~~ *However, these provisions shall not apply until the council has completed the feasibility and cost study required in section 473.155, subdivision 3. Thereafter these provisions will apply until the council has selected a search area under section 473.155, subdivision 3.*

(b) All land within the candidate search areas not zoned for other use is zoned for use exclusively for agricultural purposes, except that a prior nonconforming use established with reference to any lot or parcel of land may be continued.

(c) A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the local unit or the metropolitan council determines is inconsistent with the comprehensive plan for the local government unit adopted in accordance with sections 473.175 and 473.851 to 473.871, or any other authority. Before approving an application or proposal for a change in zoning, zoning variance, or conditional use, the local government unit shall submit the application or proposal to the metropolitan council for review and approval or disapproval. The council may disapprove the application or proposal only if the council determines that it is inconsistent with the comprehensive plan of the local unit.

(d) The council shall give notice to the metropolitan airports commission of all submittals under paragraph (c). The commission may comment to the council on any submittal.

(e) The council shall approve or disapprove a submittal within 90 days following receipt by the council, unless a time extension is mutually agreed to by the council and the submitting unit. The commission has 45 days after notification to comment. The council and the commission shall establish administrative procedures for expedited disposition of proposals or applications that do not warrant metropolitan review.

(f) If a candidate search area includes land within a local unit of government outside of the metropolitan area, the metropolitan council and the local unit may enter into an agreement for the joint exercise of powers necessary to determine whether a proposed change in zoning, zoning variance, or conditional use will be compatible with the development and operation of a major airport.

Sec. 4. Minnesota Statutes 1990, section 473.1551, subdivision 2, is amended to read:

Subd. 2. [SEARCH AREA PROTECTION.] (a) *The provisions of this subdivision shall not apply until the council has completed the feasibility and cost study required under section 473.155, subdivision 3. Thereafter the provisions of this subdivision will apply within the search area for a new major airport selected by the council under section 473.155, subdivision 3. The provisions, and will continue to apply until one year after the report to the legislature on long-range airport development required by section 473.618.*

(b) Land zoned by subdivision 1, paragraph (b), continues to be zoned exclusively for agricultural purposes, unless a change is authorized under paragraphs (c) and (d).

(c) A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the local unit determines is inconsistent either with the local unit's criteria for approving changes in land use or with the comprehensive plan of the local unit adopted in accordance with sections 473.175 and 473.851 to 473.871. The local unit may deny an application or proposal for a change in zoning, zoning variance, or conditional use under this paragraph without review by the metropolitan council. Before making a final decision to approve an application or proposal, the local unit shall submit it to the metropolitan council for review and approval or disapproval as provided in paragraph (d).

(d) The metropolitan council may disapprove an application or proposal submitted under paragraph (c) only if the council determines that it is inconsistent with the comprehensive plan of the local government unit adopted under sections 473.175 and 473.851 to 473.871, a metropolitan system plan as defined by section 473.852, subdivision 8, or the development and operation of a new major airport in the search area. A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the metropolitan council has disapproved.

(e) A governmental agency or unit may not construct a public building or facility, including transportation, sewer, and park facilities, within the search area until it has submitted the plan for the building or facility to the metropolitan council for review and comment.

(f) The council shall give notice to the metropolitan airports commission of all submittals under this subdivision. The commission may comment to the council on any submittal.

(g) The council shall approve or disapprove a submittal within 90 days following receipt by the council, unless a time extension is mutually agreed to by the council and the submitting government agency or unit. The commission has 45 days after notification to comment. The council and the commission shall establish administrative procedures for expedited disposition of proposals or applications that do not warrant metropolitan review.

Sec. 5. [EFFECTIVE DATE.]

*Sections 2 to 4 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to airports; requiring that local governments report airport development; 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; proposing coding for new law in Minnesota Statutes, chapter 360."

Mr. Merriam questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 331 was read the third time 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	Reichgott
Beckman	Davis	Johnson, J.B.	Merriam	Renneke
Belanger	Day	Johnston	Metzen	Riveness
Benson, D.D.	DeCramer	Knaak	Mondale	Sams
Benson, J.E.	Finn	Kroening	Morse	Solon
Berg	Flynn	Laidig	Neuville	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Pogemiller	Vickerman
Chmielewski	Halberg	Marty	Price	Waldorf
Cohen	Hottinger	McGowan	Ranum	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Gustafson voted in the negative.

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Messages From the House and Reports of Committees.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

April 29, 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:

**ATTORNEY POSITION, BOARD ON JUDICIAL STANDARDS**

Peter Hustad Watson, 1925 Fox Street, Wayzata, Hennepin County, Minnesota, has been appointed by me, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

**PUBLIC MEMBER, BOARD ON JUDICIAL STANDARDS**

Harriette Burkhalter, 5 West St. Albans Road, Hopkins, Hennepin County, Minnesota, has been appointed by me, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Judiciary.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 132:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dawkins, Murphy and Hartle have been appointed as such committee on the part of the House.

House File No. 132 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 132, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 244:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Murphy, Lieder and Waltman have been appointed as such committee on the part of the House.

House File No. 244 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 244, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 809:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Olson, E.; Schreiber and Dauner have been appointed as such committee on the part of the House.

House File No. 809 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Hottinger moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 809, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 137:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Scheid, Gutknecht and Osthoff have been appointed as such committee on the part of the House.

House File No. 137 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 137, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1179:

H.F. No. 1179: A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Orfield, Garcia and Leppik have been appointed as such committee on the part of the House.

House File No. 1179 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Mondale moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1179, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the

Senate amendments to House File No. 633:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kinkel, McGuire and Goodno have been appointed as such committee on the part of the House.

House File No. 633 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Lessard moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 633, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1086:

H.F. No. 1086: A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7;

270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 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, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 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; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision



7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Ogren; Long; Olson, E.; Rest and Jacobs have been appointed as such committee on the part of the House.

House File No. 1086 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1086, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 700:

H.F. No. 700: A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections

120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, K.; Bauerly; Kelso; Schafer and McEachern have been appointed as such committee on the part of the House.

House File No. 700 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1991

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 700, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

### REPORTS OF COMMITTEES

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

S.F. No. 942: 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.

Reports the same back with the recommendation that 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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 112: A bill for an act relating to retirement; imposing an additional fee on classified drivers licenses; establishing the emergency medical services personnel account; establishing an incentive plan for ambulance service personnel; setting plan requirements; amending Minnesota Statutes 1990, sections 171.06, by adding a subdivision; 353D.01, subdivision 2, and by adding subdivisions; 353D.02; 353D.03; 353D.05; and 353D.06; proposing coding for new law in Minnesota Statutes, chapter 353D.

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

Page 1, line 20, delete "2" and insert "3"

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO TRUNK HIGHWAY 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 fund, and ten percent credited to the general fund, except as provided in *section 171.06, subdivision 2b, and section 171.29, subdivision 2.*"

Page 1, line 27, delete "10 and 11" and insert "11 and 12"

Page 2, lines 8 and 25, delete "8" and insert "9"

Page 3, line 30, delete "8" and insert "9"

Page 4, line 34, delete "8" and insert "9"

Page 6, line 28, delete "8" and insert "9"

Page 8, lines 25 and 30, delete "8" and insert "9"

Page 9, lines 1 and 8, delete "8" and insert "9"

Page 10, line 7, delete "8" and insert "9"

Page 10, lines 24 and 26, delete "12" and insert "13"

Page 10, line 25, delete "7 and 11" and insert "8 and 12" and delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "171.26;"

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. Metzen from the Committee on Economic Development and Housing, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [116R.01] [DEFINITIONS.]

*Subdivision 1.* [APPLICATION.] *The definitions in this section apply to sections 1 to 15.*

*Subd. 2.* [COMMISSIONER.] *"Commissioner" means the commissioner of finance.*

*Subd. 3.* [DEPARTMENT.] *"Department" means the department of finance.*

Sec. 2. [116R.02] [BOND ISSUE; SALE AUTHORIZATION.]

*Subdivision 1.* [USE OF PROCEEDS.] *The commissioner of finance, upon the request of the commissioner of trade and economic development, shall issue and sell revenue bonds in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000.*

*Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] The commissioner may make loans or enter into lease agreements or other revenue agreements for the facilities described in subdivisions 5 and 6. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall obtain the best available security for the loans or lease agreements. The facilities described in subdivisions 5 and 6 may be pledged as collateral for the loan.*

*Subd. 3. [APPLICATIONS.] An applicant may file a written application with the commissioner of trade and economic development, to be considered by the commissioner of trade and economic development, for a loan or lease agreement or other revenue agreement for the aircraft facilities described in subdivisions 5 and 6. In general, an application must provide information similar to that required by an investment banking or other financial institution considering a project for debt financing. Except for federal and state securities disclosure requirements, the following data submitted in connection with the application is nonpublic data: business plans, financial statements, customer lists, and market and feasibility studies paid for with nonpublic money.*

*Subd. 4. [NATURE OF OBLIGATIONS; REPAYMENT; SECURITY.] (a) Bonds issued under sections 1 to 15 are not subject to section 16B.06. As described in sections 1 to 15, the full faith and credit and taxing powers of the state and St. Louis county may be pledged for the payment of these bonds. To provide the money appropriated in this act, the commissioner of finance, upon the occurrence of the deficiency addressed in section 13, subdivision 3, shall sell and issue bonds of the state in an amount not to exceed \$125,000,000 for the facility described in subdivision 5, and in an amount not to exceed \$50,000,000 for the facility described in subdivision 6 in the manner, on the terms, and with the effect prescribed by this act and sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. St. Louis county may issue general obligation bonds for the purposes described in this subdivision. The general obligation bonds issued by St. Louis county and the pledge of St. Louis county are not subject to any net debt limitation. A levy of taxes for the St. Louis county general obligation bonds is not subject to any levy limitations and may be issued without an election.*

*(b) Of the bonds issued to finance the facility described in subdivision 5, bonds in the principal amount of \$125,000,000 must be secured by the general obligation of the state or the pledge of any other revenues, property, guaranties, or other credit, and \$12,600,000 must be secured by the general obligation of St. Louis county.*

*(c) Of the bonds issued to finance the facility described in subdivision 6, bonds in the principal amount of \$50,000,000 must be secured by the general obligation of the state or the pledge of any other revenues, property, guaranties, or other credit, and \$15,000,000 must be secured by the general obligation of St. Louis county.*

*(d) If a deficiency occurs as provided in section 13, the state shall issue all of the general obligation bonds required to be issued under this subdivision by the state before St. Louis county is required to issue general*

*obligation bonds under this subdivision.*

*Subd. 5. [USE OF PROCEEDS; AIRCRAFT MAINTENANCE FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 must be used to finance the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the metropolitan airports commission and leased to and operated by an airline company for use as a heavy maintenance base. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility may be leased to another person for operation as a revenue-producing enterprise, subject to the approval of the commissioner.*

*Subd. 6. [USE OF PROCEEDS; AIRCRAFT ENGINE REPAIR FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$100,000,000 must be used to finance an aircraft engine repair facility in the city of Hibbing and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be publicly owned, but may be leased, with or without a purchase option exercisable at any price, to any person for the primary purpose of repairing aircraft engines or components.*

*Subd. 7. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, no environmental impact statement must be completed prior to the approval of an application and the issuance of a conditional commitment for the loan, or the taking of any other action permitted by sections 1 to 15, including the issuance of bonds, which is considered necessary or desirable by the commissioner to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required.*

### **Sec. 3. [116R.03] [GENERAL POWERS.]**

*For the purpose of exercising the specific powers authorized under sections 1 to 15 and effectuating the other purposes of sections 1 to 15, the commissioner may:*

- (1) acquire, hold, and dispose of real or personal property;*
- (2) 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 1 to 15;*
- (3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;*
- (4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;*
- (5) enter into agreements with other appropriate federal, state, or local governmental units; and*
- (6) 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 the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 15 and to carry out the objectives of sections 1 to 15 and may pay for the services from bond proceeds or otherwise available department money.*

**Sec. 4. [116R.04] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]**

*Subdivision 1. [BONDS.] The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of trade and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 1 to 15, including the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner incident to and necessary or convenient to carry out the purposes and powers of sections 1 to 15. The bonds may be issued as bonds or notes or in any other form authorized by law.*

*Subd. 2. [REFUNDING OF BONDS.] The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, 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 those refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of such outstanding bonds on the redemption date next succeeding the date of delivery of such refunding bonds 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 that are permitted investments under section 11A.24, maturing at a time or times appropriate to ensure the prompt payment of the principal of and interest and redemption premiums, if any, on the bonds to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be issued and secured in the manner provided by resolution of the commissioner.*

*Subd. 3. [KIND OF BONDS.] All bonds issued under this section must be issued in the form and manner provided in section 16A.672.*

*Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] The commissioner may covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.*

*Subd. 5. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.*

Sec. 5. [116R.05] [REVENUE BONDS; RESOLUTIONS AUTHORIZING, ADDITIONAL TERMS, SALE.]

*The bonds must be authorized by a resolution or resolutions of the commissioner, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the resolutions or certificates may provide. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity or the provisions made for the security of the bonds. The commissioner may make covenants and take or cause to be taken actions which are necessary or desirable and possible to comply with conditions established by federal law or regulations for the exemption of interest on the obligations. The commissioner may refrain from compliance with those conditions if in the commissioner's judgment this would serve the purposes and policies set forth in sections 1 to 15 with respect to any particular issue of bonds, unless this would violate covenants made by the commissioner. The bonds may be sold at public or private sale at a price or prices determined by the commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.*

Sec. 6. [116R.06] [REVENUE BONDS; OPTIONAL RESOLUTION AND CONTRACT PROVISIONS.]

*Any resolution authorizing any bonds or any issue of bonds may contain provisions, which must be a part of the contract with the holders of the bonds, as to the matters referred to in this section.*

*(a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds, subject to any agreements with bondholders which exist.*

*(b) It may provide for the custody, collection, securing, investment, and payment of money.*

*(c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.*

*(d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any series or issue of notes or bonds.*

*(e) It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.*

*(f) It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation,*



and the manner in which that consent may be given.

(g) *It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee.*

(h) *It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 15, which in any way affect the security or protection of the bonds and the rights of the bondholders.*

Sec. 7. [116R.07] [PLEDGES.]

*Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the resolution nor any other instrument by which a pledge is created need be recorded.*

Sec. 8. [116R.08] [REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.]

*The commissioner and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.*

Sec. 9. [116R.09] [REVENUE BONDS; PURCHASE AND CANCELLATION.]

*The commissioner, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.*

Sec. 10. [116R.10] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

*The state pledges and agrees with the holders of any bonds issued under sections 1 to 15, that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 15.*

Sec. 11. [116R.11] [AIRCRAFT FACILITIES FUND.]

*The commissioner shall establish an aircraft facilities fund. The commissioner may establish whatever accounts might be necessary to carry out sections 1 to 15. The state treasurer or any trustee appointed by the commissioner under sections 1 to 15 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on bonds. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required in the account by the resolution or resolutions of the commissioner.*

**Sec. 12. [116R.12] [POWERS AND DUTIES OF TRUSTEE.]**

*Subdivision 1. [GENERAL.] The trustee, if any, designated in any indenture or resolution securing an issue of bonds may, and upon written request of the holders of 25 percent in principal amount of the notes or bonds then outstanding shall, in the trustee's own name, subject to the provisions of the indenture or resolution:*

*(1) enforce all rights of the bondholders, including the right to require the commissioner to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the notes or bonds and to perform the duties required under sections 1 to 15;*

*(2) bring suit upon the bonds;*

*(3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;*

*(4) enjoin any acts or things which may be unlawful or in violation of the rights of holders of the bonds; or*

*(5) declare all the bonds due and payable, and if all defaults are made good, then, with the consent of the holders of 25 percent of the principal amount of the bonds then outstanding, the trustee may annul the declaration and consequences.*

*Subd. 2. [ADDITIONAL POWERS.] In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.*

*Subd. 3. [VENUE; NOTICE.] The venue of any action or proceedings brought by a trustee is in Ramsey county. Before declaring the principal of bonds due and payable, the trustee shall first give 30 days' notice in writing to the commissioner.*

**Sec. 13. [116R.13] [REVENUE BOND ACCOUNT; REPORTS.]**

*Subdivision 1. [AUTHORITY.] The commissioner may create and establish a special account or accounts for the security of one or more or all series of its bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:*

*(1) any money appropriated by the state only for the purposes of that account;*

(2) any money transferred from the security fund for the purposes of that account;

(3) any proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing their issuance;

(4) any money directed to be transferred by the commissioner to that debt service reserve account; and

(5) any other money made available to the commissioner only for the purpose of that account from any other source.

*Subd. 2. [USE OF MONEY.] The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature, the purchase of the bonds, the payment of interest on the bonds, or the payment of any premium required when the bonds or notes are redeemed before maturity; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than the amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal or interest due on bonds secured by the account, for the payment of which other money is not available.*

*Subd. 3. [GENERAL OBLIGATION BONDS.] If the amount in any debt service reserve account falls below the minimum required in a resolution or resolutions of the commissioner, the commissioner shall issue general obligation bonds in accordance with section 16A.641 except as otherwise provided in this section unless provision is made for restoring the deficiency from other sources. The bonds may be sold at public or private sale at a price or prices determined by the commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in light of the risk assumed and the expense of issuance, if any, required to be paid by the underwriters.*

*Subd. 4. [LIMITATION.] If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the account, will not be less than the minimum amount required.*

*Subd. 5. [EXCESS MONEY.] To the extent consistent with the resolutions and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account. Any excess must be transferred first to the security account to the extent of any prior withdrawals from the security account which have not previously been restored to the security account.*

*Subd. 6. [CONSTRUCTION.] Nothing in this section may be construed to limit the right of the commissioner to create and establish by resolution or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds or*

programs.

Sec. 14. [116R.15] [CONSTRUCTION.]

*Sections 1 to 15 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.*

Sec. 15. [116R.16] [SEVERABILITY; ACTIONS.]

*Each of the provisions of sections 1 to 15, and each application thereof to particular circumstances, is severable. If any provision or application is found to be unconstitutional and void, it is the intention that the remaining provisions and applications shall be valid and enforceable to the full extent possible under section 645.20.*

Sec. 16. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

*Subd. 24. [CREDIT FOR JOB CREATION.] A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter. For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.*

Sec. 17. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EXEMPTIONS.]

*Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt.*

Sec. 18. Minnesota Statutes 1990, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area, *and in the city of Duluth for the purpose of owning and leasing the facility described in section 2, subdivision 5.*

Sec. 19. [CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.]

*Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in section 469.174, subdivision 2, may be the "authority" for purposes of sections 469.174 to 469.179. The authority or agency being utilized for this tax increment financing district shall be expanded by two members. The additional two members shall be appointed by the St. Louis county board for terms as designated by the county board.*

*Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.*

*(b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increments from this district must be used to pay debt service on obligations issued under section 2, subdivision 4, paragraph (b), in a principal amount not to exceed \$47,600,000.*

*(c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.*

Sec. 20. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]

*Subdivision 1. [AUTHORIZATION.] (a) The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located and with the approval of the St. Louis county board, any other adjoining areas into which expansion of the facility or development caused by the facility may be expected to occur. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of sections 469.174 to 469.179. The authority or agency being utilized for this tax increment financing district shall be expanded by two members. The additional two members shall be appointed*

by the St. Louis county board for terms as designated by the county board.

(b) *With the consent of the governing bodies of St. Louis county and the city of Chisholm and without an election, either or both St. Louis county and the city of Chisholm may treat an obligation or any portion thereof, of the city of Hibbing issued under Minnesota Statutes, section 469.178, subdivision 2, as a general obligation of St. Louis county or the city of Chisholm, by pledging their full faith and credit and taxing power. The obligations, the pledge of St. Louis county, and the pledge of the city of Chisholm are not subject to any net debt limitation. A levy of taxes for the obligations is not subject to any levy limitations. The obligations may be sold at public or private sale.*

*Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.*

(b) *Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increments from this district and the proceeds of obligations secured by or payable from the tax increments, after reduction for costs of issuance, reserves, and capitalized interest, must be used to pay debt service on obligations issued for the purpose provided in section 2, subdivision 6.*

(c) *The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.*

#### Sec. 21. [PURPOSE.]

*The purpose of sections 1 to 15 is to foster long-term economic growth and job creation by financing an aircraft maintenance facility and an aircraft engine repair facility. State bonds are authorized to be issued and the proceeds of their sale are appropriated under the authority of article XI, section 5, clauses (a) and (g), of the Minnesota Constitution. In authorizing the financing of the aircraft facilities, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of fostering economic development within the state.*

#### Sec. 22. [EFFECTIVE DATE.]

*Section 16 is effective for taxable years beginning after December 31, 1991."*

Amend the title as follows:

Page 1, line 14, delete "chapters 116J and 297A" and insert "chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R"

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. DeCramer from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for February 28, 1991:

DEPARTMENT OF TRANSPORTATION  
COMMISSIONER

John H. Riley

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. DeCramer from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for February 7, 1991:

TRANSPORTATION REGULATION BOARD

Richard Helgeson

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. DeCramer from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for January 14, 1991:

TRANSPORTATION REGULATION BOARD

Lorraine Mayasich

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. DeCramer from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for February 4, 1991:

DEPARTMENT OF PUBLIC SAFETY  
COMMISSIONER

Ralph Church

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.

**MOTIONS AND RESOLUTIONS - CONTINUED****SPECIAL ORDER**

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.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.

Was read the third time 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	DeCramer	Johnson, D.J.	Metzen	Sams
Beckman	Dicklich	Johnson, J.B.	Mondale	Samuelson
Belanger	Finn	Johnston	Morse	Spear
Benson, J.E.	Flynn	Knaak	Neuville	Storm
Berg	Frank	Kroening	Olson	Stumpf
Berglin	Frederickson, D.J.	Laidig	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Larson	Piper	Vickerman
Bertram	Gustafson	Lessard	Pogemiller	Waldorf
Chmielewski	Halberg	Luther	Price	
Dahl	Hottinger	Marty	Ranum	
Davis	Hughes	McGowan	Reichgott	
Day	Johnson, D.E.	Mehrkens	Renneke	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 1371: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frederickson, D.J. and Morse voted in the negative.

So the bill passed and its title was agreed to.



**SPECIAL ORDER**

H.F. No. 1039: A bill for an act relating to public employees; 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.

Mr. Morse moved to amend H.F. No. 1039, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 798.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1990, section 15.46, is amended to read:

15.46 [PREVENTIVE HEALTH SERVICES FOR STATE EMPLOYEES.]

The commissioner of the department of employee relations may establish and operate a program of preventive health services for state employees, and shall provide ~~such~~ the staff, equipment, and facilities ~~as are~~ necessary ~~therefor to do so~~. The commissioner shall develop these services in accordance with the accepted practices of and standards for occupational preventive health services in the state of Minnesota. Specific services ~~shall~~ *must* be directed to the work environment and to the health of the employee in relation to the job. The commissioner shall cooperate with the department of health as well as other private and public community agencies providing health, safety, employment, and welfare services. *A county may establish and operate a program of preventive health and employee recognition services for county employees and may provide necessary staff, equipment, and facilities and may expend funds necessary to achieve the objectives of the program.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1039 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**SPECIAL ORDER**

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.

Was read the third time 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	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Olson	Storm
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Chmielewski	Hottinger	Luther	Price	Waldorf
Cohen	Hughes	Marty	Ranum	
Dahl	Johnson, D.E.	McGowan	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

S.F. No. 601: 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.

Was read the third time 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	Hughes	McGowan	Renneke
Beckman	Davis	Johnson, D.E.	Mehrkens	Riveness
Belanger	Day	Johnson, D.J.	Metzen	Sams
Benson, D.D.	DeCramer	Johnston	Mondale	Samuelson
Benson, J.E.	Finn	Knaak	Morse	Spear
Berg	Flynn	Kroening	Neuville	Storm
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	Halberg	Luther	Price	
Cohen	Hottinger	Marty	Reichgott	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

S.F. No. 979: 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.

Ms. Pappas moved to amend S.F. No. 979 as follows:

Page 1, line 19, delete “*any compound containing*” and after “*butane*” insert “*or a butane lighter*”

Page 2, line 11, after the headnote, insert “(a)”

Page 2, line 17, after “*butane*” insert “*or butane lighters*”

Page 2, line 20, after “*butane*” insert “*or butane lighters,*”

Page 2, after line 22, insert:

“(b) *A business establishment may omit from the required notice references to any toxic substance that is not offered for sale by that business establishment.*”

The motion prevailed. So the amendment was adopted.

S.F. No. 979 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg and Day voted in the negative.

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

### SPECIAL ORDER

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.

Mr. Waldorf moved to amend S.F. No. 1224 as follows:

Page 1, line 15, delete “*a permanent*” and insert “*an unlimited*”

Page 2, line 5, delete “*a permanent*” and insert “*an unlimited*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1224 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Flynn voted in the negative.

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

### SPECIAL ORDER

H.F. No. 1310: 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.

Ms. Ranum moved to amend H.F. No. 1310 as follows:

Page 1, delete section 1 and insert:

“Section 1. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

*Subd. 5. [PUBLIC EMPLOYEES WITH MANDATED DUTIES.] A person is guilty of a gross misdemeanor who:*

*(1) assaults an employee of the state or a political subdivision while the employee is engaged in the performance of a duty mandated by law, court order, or political subdivision policy or rule;*

*(2) knows that the victim is a public employee engaged in the performance of official public duties; and*

*(3) inflicts demonstrable bodily harm.”*

The motion prevailed. So the amendment was adopted.

H.F. No. 1310 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**SPECIAL ORDER**

S.F. No. 204: A bill for an act relating to consumer protection; providing for the regulation of credit service organizations; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 332.

Mr. Marty moved to amend S.F. No. 204 as follows:

Page 2, lines 7 and 8, delete "*or the Federal Savings and Loan Insurance Corporation,*"

The motion prevailed. So the amendment was adopted.

S.F. No. 204 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**SPECIAL ORDER**

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

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; 86B.415, subdivision 1; 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; 115B.33, subdivision 1; 115B.34; 115B.36; 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; 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; 356.216; 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; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Vickerman and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 788: A bill for an act relating to privacy; prohibiting release of health records without patient consent; imposing civil liability; amending Minnesota Statutes 1990, section 144.335, by adding a subdivision.

Mr. Merriam moved to amend S.F. No. 788 as follows:

Page 1, line 16, after the period, insert "A patient's consent to the release of data on the date and type of immunizations administered to the patient is effective until the patient directs otherwise, if the consent was executed before August 1, 1991."

The motion prevailed. So the amendment was adopted.

S.F. No. 788 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

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

Ms. Flynn and Mr. Riveness voted in the negative.

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that House Concurrent Resolution No. 1 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 1: A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

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

A plan presented to the Senate or House of Representatives for redistricting seats in the United States House of Representatives must adhere to the following standards:

- (1) There must be eight districts, each entitled to elect a single member.
- (2) The districts must be as nearly equal in population as practicable.
- (3) The districts must be composed of convenient contiguous territory. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district.
- (4) The districts must be numbered in a regular series, beginning with congressional district 1 in the southeast corner of the state and ending with district 8 in the northeast corner of the state.
- (5) 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.
- (6) A county, city, or town must not be divided into more than one district except as necessary to meet equal-population requirements or to form districts that are composed of convenient contiguous territory.
- (7) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards.
- (8) The geographic areas and population counts used in maps, tables, and legal descriptions of the districts must be those used by the Legislative Coordinating Commission's Subcommittee on Redistricting.

The Subcommittee on Redistricting will notify the President of the Senate and the Speaker of the House of Representatives when the necessary 1990 census data has been received from the United States Census Bureau, loaded into the Subcommittee's computerized redistricting system, and verified as



ready for use in redistricting. A redistricting plan will not be considered for adoption by the Senate or House of Representatives until the notice has been given.

### CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the proceedings on House Concurrent Resolution Nos. 1 and 2. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Storm moved to amend House Concurrent Resolution No. 1, the unofficial engrossment, as follows:

Page 1, line 13, after "of" insert "compact"

Page 2, line 3, after "of" insert "compact"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	Larson	Olson
Benson, D.D.	Day	Johnston	McGowan	Pariseau
Benson, J.E.	Frederickson, D.R.	Knaak	Mehrkens	Renneke
Bernhagen	Halberg	Laidig	Neuville	Storm

Those who voted in the negative were:

Beckman	Flynn	Langseth	Piper	Solon
Bertram	Frank	Lessard	Pogemiller	Spear
Cohen	Frederickson, D.J.	Luther	Price	Stumpf
Dahl	Hottinger	Marty	Ranum	Traub
Davis	Hughes	Merriam	Reichgott	Vickerman
DeCramer	Johnson, D.J.	Mondale	Riveness	Waldorf
Dicklich	Johnson, J.B.	Morse	Sams	
Finn	Kroening	Pappas	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved the adoption of House Concurrent Resolution No. 1.

The question was taken on the adoption of the foregoing resolution.

The roll was called, and there were yeas 38 and nays 17, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Johnson, J.B.	Morse	Sams
Berg	Flynn	Kroening	Pappas	Samuelson
Bertram	Frank	Langseth	Piper	Solon
Cohen	Frederickson, D.J.	Lessard	Pogemiller	Spear
Dahl	Frederickson, D.R.	Luther	Price	Traub
Davis	Hottinger	Marty	Ranum	Vickerman
DeCramer	Hughes	Merriam	Reichgott	
Dicklich	Johnson, D.J.	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Brataas	Johnston	Mehrkens	Storm
Benson, D.D.	Day	Knaak	Neuville	
Benson, J.E.	Halberg	Larson	Olson	
Bernhagen	Johnson, D.E.	McGowan	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Luther moved that House Concurrent Resolution No. 2 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 2: A House concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

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

A plan presented to the Senate or House of Representatives for redistricting seats in the Senate and House of Representatives must adhere to the following standards:

(1) The Senate must be composed of 67 members. The House of Representatives must be composed of 134 members.

(2) Each district is entitled to elect a single member.

(3) A representative district may not be divided in the formation of a senate district.

(4) The districts must be substantially equal in population. The population of a district must not deviate from the ideal by more than two percent, plus or minus.

(5) The districts must be composed of convenient contiguous territory. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district.

(6) The districts must be numbered in a regular series, beginning with House district 1A in the northwest corner of the state and proceeding across the state from west to east, north to south, but bypassing the seven-county metropolitan area until the southeast corner has been reached; then to the seven-county metropolitan area outside the cities of Minneapolis and St. Paul; then in Minneapolis and St. Paul.

(7) 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.

(8) A county, city, or town should not be divided into more than one district except as necessary to meet equal-population requirements or to form districts that are composed of convenient contiguous territory.

(9) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards.

(10) The geographic areas and population counts used in maps, tables, and legal descriptions of the districts must be those used by the Legislative Coordinating Commission's Subcommittee on Redistricting.

The Subcommittee on Redistricting will notify the President of the Senate and the Speaker of the House of Representatives when the necessary 1990 census data has been received from the United States Census Bureau, loaded into the Subcommittee's computerized redistricting system, and verified as ready for use in redistricting. A redistricting plan will not be considered for adoption by the Senate or House of Representatives until the notice has been given.

Mr. Storm moved to amend House Concurrent Resolution No. 2, the unofficial engrossment, as follows:

Page 1, line 17, after "of" insert "compact"

Page 2, line 10, after "of" insert "compact"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	Larson	Pariseau
Benson, D.D.	Day	Johnston	McGowan	Pogemiller
Benson, J.E.	Frank	Knaak	Mehrkens	Renneke
Berg	Frederickson, D.R.	Laidig	Neuville	Storm
Bernhagen	Halberg	Langseth	Olson	Stumpf

Those who voted in the negative were:

Beckman	Finn	Kroening	Pappas	Sams
Bertram	Flynn	Luther	Piper	Solon
Cohen	Frederickson, D.J.	Marty	Price	Spear
Dahl	Hottinger	Merriam	Ranum	Traub
Davis	Hughes	Mondale	Reichgott	Vickerman
DeCramer	Johnson, J.B.	Morse	Riveness	Waldorf

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend House Concurrent Resolution No. 2, the unofficial engrossment, as follows:

Page 1, line 9, delete "67" and insert "45"

Page 1, line 10, delete "134" and insert "135"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 39, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Day	Johnston	McGowan	Reichgott
Brataas	Frank	Knaak	Metzen	Renneke
Chmielewski	Halberg	Laidig	Neuville	Storm
Cohen	Johnson, D.E.	Larson	Pariseau	

Those who voted in the negative were:

Beckman	DeCramer	Johnson, J.B.	Morse	Sams
Belanger	Dicklich	Kroening	Olson	Samuelson
Berg	Finn	Langseth	Pappas	Spear
Berglin	Flynn	Luther	Piper	Stumpf
Bernhagen	Frederickson, D.J.	Marty	Pogemiller	Traub
Bertram	Frederickson, D.R.	Mehrkens	Price	Vickerman
Dahl	Hottinger	Merriam	Ranum	Waldorf
Davis	Hughes	Mondale	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved the adoption of House Concurrent Resolution No. 2.

The question was taken on the adoption of the foregoing resolution.

The roll was called, and there were yeas 44 and nays 13, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Johnson, J.B.	Morse	Riveness
Berg	Finn	Kroening	Neuville	Sams
Berglin	Flynn	Langseth	Pappas	Samuelson
Bertram	Frank	Larson	Piper	Solon
Chmielewski	Frederickson, D.J.	Luther	Pogemiller	Spear
Cohen	Frederickson, D.R.	Marty	Price	Stumpf
Dahl	Hottinger	Merriam	Ranum	Traub
Davis	Hughes	Metzen	Reichgott	Vickerman
DeCramer	Johnson, D.E.	Mondale	Renneke	

Those who voted in the negative were:

Belanger	Brataas	Johnston	McGowan	Storm
Benson, J.E.	Day	Knaak	Mehrkens	
Bernhagen	Halberg	Laidig	Olson	

The motion prevailed. So the resolution was adopted.

### RECESS

Mr. Luther 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. 1179: Mr. Mondale, Mses. Ranum and Johnston.

H.F. No. 326: Messrs. Hughes, Pogemiller and Johnson, D.E.

S.F. No. 187: Mr. Spear, Ms. Berglin and Mr. Belanger.

S.F. No. 1533: Messrs. Morse; Davis; Merriam; Frederickson, D.R. and Laidig.

S.F. No. 1535: Messrs. Stumpf, Waldorf, Ms. Piper, Mr. Dicklich and Mrs. Brataas.

H.F. No. 137: Messrs. Luther, Mondale and Laidig.

H.F. No. 244: Mr. Luther, Mses. Flynn and Olson.

H.F. No. 633: Messrs. Lessard, Finn and Ms. Olson.

H.F. No. 132: Messrs. Marty, Finn and Mrs. Benson, J.E.

H.F. No. 809: Mr. Hottinger, Mrs. Adkins and Mr. Neuville.

H.F. No. 700: Messrs. Dicklich, Dahl, DeCramer, Mses. Olson and Pappas.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

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

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; proposing coding for new law in Minnesota Statutes, chapter 117.

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

Page 1, line 17, delete "*or threatened*"

Page 1, line 18, delete "*release*"

Page 1, line 19, delete "*or threatened release*"

Page 2, line 1, delete "*capable of being*" and insert "*legally, physically, and economically able to be*"

Page 2, delete lines 6 and 7

Page 2, line 8, delete everything before the period

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bernhagen moved that the name of Mr. Beckman be added as a co-author to S.F. No. 308. The motion prevailed.

Mr. Spear moved that S.F. No. 1024, No. 72 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Luther moved that H.F. No. 53 be taken from the table. The motion prevailed.

H.F. No. 53: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

### 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. 53 and that the rules of the Senate be so far suspended as to give

H.F. No. 53 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 53 was read the second time.

Mr. Langseth moved to amend H.F. No. 53 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 53, and insert the language after the enacting clause, and the title, of S.F. No. 1530, the first engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 53 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 6, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Johnson, D.J.	Merriam	Reichgott
Benson, D.D.	DeCramer	Johnson, J.B.	Metzen	Renneke
Benson, J.E.	Finn	Knaak	Mondale	Riveness
Berg	Flynn	Kroening	Morse	Sams
Bernhagen	Frank	Laidig	Neuville	Spear
Bertram	Frederickson, D.J.	Langseth	Pappas	Storm
Brataas	Frederickson, D.R.	Larson	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrrens	Ranum	

Those who voted in the negative were:

Belanger	Hottinger	Johnston	Olson	Pariseau
Berglin				

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

## RECESS

Mr. Luther 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. 1086: Messrs. Johnson, D.J.; Frederickson, D.J.; Pogemiller; Ms. Reichgott and Mr. Price.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

## MEMBERS EXCUSED

Mr. Kelly was excused from the Session of today. Ms. Berglin was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Davis was excused from the Session of today from 8:30 to 9:50 a.m. Mr. Gustafson was excused from the Session of today from 8:30 to 9:35 a.m. Mr. Knaak was excused

from the Session of today from 8:30 to 9:45 a.m. Mr. Frank was excused from the Session of today from 9:15 to 10:30 a.m. Mr. Moe, R.D. was excused from the Session of today at 9:30 a.m. Mr. Novak was excused from the Session of today at 10:45 a.m. Ms. Piper was excused from the Session of today from 10:45 to 11:30 a.m. Mr. Dicklich was excused from the Session of today from 11:00 a.m. to 12:30 p.m. Mr. DeCramer was excused from the Session of today from 12:00 to 12:50 p.m. Mr. Langseth was excused from the Session of today from 12:00 to 12:45 p.m. Messrs. Chmielewski and Metzen were excused from the Session of today from 12:45 to 1:45 p.m. Mr. Lessard was excused from the Session of today at 1:15 p.m. Mr. Johnson, D.J. was excused from the Session of today at 1:25 p.m.

### **ADJOURNMENT**

Mr. Luther moved that the Senate do now adjourn until 12:30 p.m., Monday, May 6, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-SEVENTH DAY

St. Paul, Minnesota, Monday, May 6, 1991

The Senate met at 12:30 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. Parry Paraschou.

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 FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: State Planning Agency, Lead Abatement Revenue and Program Options, 1991; Department of Employee Relations, Report on Managerial Pay in Minnesota Government, 1991; Board of Architecture, Engineering, Land Surveying and Landscape Architecture, July 1, 1988 to June 30, 1990; Board of Boxing, July 1, 1989 to June 30, 1990; Department of Human Services, Child Care Legislative Report, 1990; Minnesota Dispatching Skills Task Force, Final Report and Recommendations, 1990; Minnesota Cold Weather Resource Center, Annual Report, 1991; Minnesota Zoo, Annual Report, 1990; State Board of Investment, Annual Report, 1990; Department of Administration, Governor's Task Force on State Buildings,



Final Report, 1990; Metropolitan Council, Metropolitan Agencies, Personnel, Ethical Practices and Communication Activities, 1991; Department of Military Affairs, Effectiveness of the Minnesota National Guard Incentives Program, 1991; Minnesota Emergency Response Commission, Study on Expansion of the Toxic Chemical Reporting Requirements, 1990; Department of Agriculture, Biennial Report, 1988-90; Council on Asian-Pacific Minnesotans, Recommendations-Out-of-Home Placement of Asian-Pacific Children, 1990; Department of Transportation, Rail User Loan Guarantee Program, 1991; Minnesota Emergency Response Commission, Status of Emergency Planning Required by Title III of the Superfund Amendments and Reauthorization Act of 1986, 1990; State Board of Accountancy, Biennial Report, July 1, 1988 to June 30, 1990; Crime Victims Reparations Board, 15th Annual Report, 1989-90 and Crime Victim and Witness Advisory Council, 3rd Biennial Report, 1988-90; Department of Human Services, Study of Hospital Payment Under the Medical Care Programs, Final Report, 1991; Department of Human Services, Regional Treatment Centers, Chemical Dependency Treatment Network, 1991; Department of Revenue, Biennial Report on Property Values, 1989-90; Department of Agriculture, Farmers' Market WIC Coupon Program Report, 1990; Board of Aging, Progress Report, Resident and Family Advisory Council Education Program, 1991; Department of Employee Relations, State's Participation in the Workers' Compensation Reinsurance Association, 1991; Minnesota State Lottery, Financial Statements, 1990; Minnesota State Lottery, Annual Report, 1990; Department of Labor and Industry, Workers' Compensation Advisory Council, Report on Workers' Compensation, 1991; Department of Labor and Industry, Prevailing Wage Certification; Department of Health, Division of Disease Prevention and Control, Confronting AIDS: Progress and Future Directions for HIV/STD Prevention, 1990; Department of Health, Office of Health Facility Complaints, Annual Report, 1989; Minnesota Sentencing Guidelines Commission, Intermediate Sanctions, 1991; Board of Marriage and Family Therapy, Annual Report of Disciplinary Action, 1989 and 1990; Minnesota Racing Commission, Annual Report, 1990; Minnesota Sentencing Guidelines Commission, Summary of 1989 Sentencing Practices for Convicted Felons, 1991; Department of Finance, Actions Taken by the Legislative Advisory Commission, January 1, 1989 through January 1, 1991; Minnesota Housing Finance Agency, Affordable Housing Plan, 1990-91; Minnesota Housing Finance Agency, Assisting Renters in Minnesota, 1991; Minnesota Housing Finance Agency, Housing Trust Fund Program, 1991; Minnesota Housing Finance Agency, Rural and Urban Homesteading Program, 1991; Board of Peace Officer Standards and Training, Study of the Minnesota Professional Peace Officer Education System, 1991; Metropolitan Council, Major Airport Planning Activities, 1990; Metropolitan Council, Annual Contingency, Assessment, Major Airport Strategy, 1990; Department of Agriculture, Plant Pest Survey, Detection and Biological Control Program, 1990; Regional Transit Board, Light Rail Transit Regional Coordination Plan; Department of Health, Prenatal Care and Preventive Care for Children, 1991; Minnesota State Fair, Annual Report, 1990; Department of Transportation, An Analysis of the Impact of Insurance Availability and Cost on Minnesota Volunteer Drivers and Volunteer Transportation Programs, 1990; Department of Health, Providing Medical Care in Rural Minnesota: Recommendations for Meeting Health Personnel Needs, 1991; Minnesota Office of Waste Management, Barriers

to Pollution Prevention, 1991; City of Minneapolis, Neighborhood Revitalization Program, 1991; Department of Health, Licensure of Residential Hospice Facilities, 1991; University of Minnesota, Enrollment Management and the Quality of Education, 1991; University of Minnesota, Campus Day Care Alternatives, 1991; Board of Unlicensed Mental Health Providers, 1990-91; Office of the State Auditor, Revenues, Expenditures, and Debt of the Towns in Minnesota, 1990; Office of Crime Victims Ombudsman, Third Biennial Report, 1990; Metropolitan Council, Regional Parks Operation and Maintenance Grants, 1991; Department of Employee Relations, Group Insurance Program, Biennial Report, 1989-90; Department of Health, Inter-agency Task Force on Mental Health Regulation, Recommendations for Changes in Minnesota's Mental Health Regulatory System, 1991; Department of Health, Regulation of Unlicensed Mental Health Practitioners, 1991; Department of Corrections, Biennial Report, 1989-90; Department of Agriculture, Agricultural Land Preservation Program, Status Report, 1991; State Planning Agency, Evaluation of the State-funded Urban Revitalization Action Program, 1991; Office of Health Facility Complaints, Annual Report, 1990; Minnesota Historical Society, Records Disposition Panel, Standards for Disposition of Government Records: Use and Storage of Records on Optical Disk, 1990; Department of Human Services, Feasibility Study for a State-Funded Prescription Drug Assistance Program, 1991; Department of Human Services, A Review of the Preadmission Screening and Alternative Care Grant Programs, 1991; Department of Human Services, Chemical Dependency Aftercare in Minnesota, Preliminary Report, 1991; Minnesota Sentencing Guidelines Commission, Summary of 1989 Sentencing Practices for Felony Drug Offenders, 1991; Office of the State Auditor, Revenues, Expenditures and Debt of Minnesota Counties, 1989.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

April 12, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments to the Metropolitan Council are hereby respectfully submitted to the Senate for confirmation as requested by law:

#### DISTRICT 2 REPRESENTATIVE

Diane Z. Wolfson, 1117 Goodrich Avenue, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

#### DISTRICT 4 REPRESENTATIVE

Carol Kummer, 4818 30th Avenue South, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 6 REPRESENTATIVE

Donald B. Riley, 1338 Washburn Avenue North, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 7 REPRESENTATIVE

Esther Newcome, 2374 Joy Avenue, White Bear Lake, Ramsey County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1993.

## DISTRICT 8 REPRESENTATIVE

Susan E. Anderson, 11031 President Drive Northeast, Blaine, Anoka County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 10 REPRESENTATIVE

James J. Krautkremer, 6425 Shingle Creek Drive, Brooklyn Park, Hennepin County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 12 REPRESENTATIVE

Sondra R. Simonson, 2815 Overlook Drive, Bloomington, Hennepin County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 14 REPRESENTATIVE

Bonita D. Featherstone, 908 Woodlawn Court, Burnsville, Dakota County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

## DISTRICT 16 REPRESENTATIVE

E. Craig Morris, 16412 7th Street Lane South, Lakeland, Washington County, Minnesota, has been appointed by me, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Metropolitan Affairs.)

Warmest regards,  
Arne H. Carlson, Governor

May 1, 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. 6 and 339.

Warmest regards,  
Arne H. Carlson, Governor

May 2, 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
	598	39	11:50 a.m. May 1	May 1
339		40	11:47 a.m. May 1	May 1
	697	42	11:45 a.m. May 1	May 1
6		43	11:43 a.m. May 1	May 1

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Greenfield, Segal and Bishop.

Senate File No. 187 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1991

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1535: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions;

creating the higher education board; merging the state university, community college, and technical college systems; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; 179A.10, subdivision 2; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; 136E; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

There has been appointed as such committee on the part of the House: Carlson, Dorn, Orenstein, Haukoos and Brown.

Senate File No. 1535 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1991

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1533: A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

There has been appointed as such committee on the part of the House: Battaglia; Wenzel; Osthoff; Johnson, V. and McGuire.

Senate File No. 1533 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1991

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 53:

H.F. No. 53: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1;

82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Rice, Lieder, Sarna, Kalis and Seaberg have been appointed as such committee on the part of the House.

House File No. 53 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1991

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 53, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 719.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1991

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 719: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 1031.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision;

144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 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, and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 21, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.06, by adding a subdivision; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2;

299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 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; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

Mr. Moe, R.D. moved that H.F. No. 719 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for March 7, 1991:

#### ENVIRONMENTAL TRUST FUND CITIZENS' ADVISORY COMMITTEE

C. Merle Anderson  
Christine Susan Kneeland  
Patricia Baker

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

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for March 27, 1991:

#### MINNESOTA ENVIRONMENTAL QUALITY BOARD

Carolyn E. Engebretson  
Edward C. Oliver

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



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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for April 24, 1991:

OFFICE OF WASTE MANAGEMENT  
DIRECTOR

Dottie M. Rietow

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. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 14, 1991:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

H. Theodore Grindal

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. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for February 7, 1991:

DEPARTMENT OF EDUCATION  
COMMISSIONER

Gene Mammenga

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. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 4, 1991:

STATE UNIVERSITY BOARD

William C. Ulland  
Jerry Serfling  
Corey R. Elmer

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. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for April 24, 1991:

**STATE BOARD FOR COMMUNITY COLLEGES**

Ann M. Kruchten

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.

**MOTIONS AND RESOLUTIONS**

Mr. Moe, R.D. introduced—

Senate Resolution No. 68: A Senate resolution commending Bob Richards as he retires as a member of the Minnesota State Patrol after over 31 years of serving the State of Minnesota and its citizens.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1411, 634 and H.F. Nos. 121, 87, 106, which the committee recommends to pass.

H.F. No. 466, which the committee recommends to pass with the following amendments offered by Mr. Davis:

Amend H.F. No. 466, the unofficial engrossment, as follows:

Page 2, line 33, delete "*must*" and insert "*may*"

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend H.F. No. 466, the unofficial engrossment, as follows:

Page 1, line 15, strike "WRECKER" and insert "*TOW TRUCK OR TOWING VEHICLE*" and strike "'Wrecker'" and insert "'*Tow truck or towing vehicle*'"

Page 2, line 19, strike "WRECKER" and insert "*TOW TRUCK OR TOWING VEHICLE*"

Page 2, lines 26, 31, and 33, delete "*wrecker*" and insert "*tow truck or towing vehicle*"

Page 3, line 1, delete "WRECKERS" and insert "*TOW TRUCKS OR TOWING VEHICLES*"

Page 3, line 2, delete "*wrecker*" and insert "*tow truck or towing vehicle*"

Page 3, after line 5, insert:

“Sec. 5. [INSTRUCTION TO REVISOR.]

*The revisor of statutes is directed to change the word “wrecker” wherever it appears in Minnesota Statutes to “tow truck or towing vehicle” in Minnesota Statutes 1992 and subsequent editions of the statutes.”*

Amend the title as follows:

Page 1, line 2, delete ““wrecker”” and insert ““tow truck or towing vehicle””

Page 1, lines 4 and 7, delete “wreckers” and insert “tow trucks or towing vehicles”

The motion prevailed. So the amendment was adopted.

H.F. No. 1042, which the committee recommends to pass with the following amendments offered by Messrs. Beckman and Waldorf:

Mr. Beckman moved to amend H.F. No. 1042 as follows:

Page 1, after line 25, insert:

“Sec. 2. [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;*

*(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.

*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 legislative coordinating commission 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. 3. [REPEALER.]

*Section 2 is repealed July 1, 1992.*

Sec. 4. [EFFECTIVE DATE.]

*Section 2 is effective July 1, 1991."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "creating a commission on economic development;"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 1042 as follows:

Page 1, after line 25, insert:

"Sec. 2. [116J.661] [WORKPLACE SAFETY PROGRAMS.]

*The commissioner shall provide through the business assistance center a program that provides assistance to businesses to create a safe workplace and to reduce the number and severity of workplace injuries. The program must include:*

*(1) providing information to business through publications, seminars, and other means;*

*(2) providing specific advice to individual businesses; and*

*(3) conducting research and developing safety programs with emphasis on businesses that have a high rate of workplace injury."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 525, which the committee reports progress, subject to the following motion:

Mr. Spear moved to amend S.F. No. 525 as follows:

Page 1, line 28, strike the first "or" and insert "of"

Page 8, after line 6, insert:

"Sec. 12. Minnesota Statutes 1990, section 299A.34, subdivision 2, is amended to read:

Subd. 2. [SELECTION AND MONITORING.] ~~The drug~~ *chemical* abuse prevention resource council shall assist in the selection and monitoring of grant recipients."

Page 11, line 32, delete "14" and insert "15"

Page 11, line 36, delete "*section 244.095, is*" and insert "*sections 244.095; and 299A.29, subdivisions 2 and 4, are*"

Page 12, line 3, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the second semicolon, insert "299A.34, subdivision 2;"

Page 1, line 13, delete "section" and insert "sections" and before the period, insert "; and 299A.29, subdivisions 2 and 4"

The motion prevailed. So the amendment was adopted.

S.F. No. 525 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 proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1550: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 13.46, subdivision 2; 136A.121, subdivision 6; 136A.162; 144A.071, subdivision 3; 144A.10, subdivision 4; 144A.31; 144A.46, subdivision 4; 145.925, by adding a subdivision; 171.29, subdivision 2; 241.022; 244.16; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivisions 1 and 3; 245.4885, subdivisions 1, 2, and by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23; 252.27, subdivision 1a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.41, subdivision 9; 252.46, subdivisions 3, 6, and 14; 252.478, subdivisions 1 and 3; 253C.01, subdivisions 1 and 2; 254A.17, subdivision 3; 254B.04, subdivision 1; 254B.05, by adding a subdivision; 256.01, subdivision 11, and by adding a subdivision; 256.025, subdivisions 1, 3, and 4; 256.045, subdivision 10; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 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, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 7, 13, 17, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.092; 256B.093; 256B.19, by adding a subdivision; 256B.431, subdivisions 2l, 3e, 3f, and by adding subdivisions; 256B.50, subdivision 1d; 256B.501, subdivisions 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivisions 1, 2, 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 6, and 8; 256D.052, subdivisions 3 and 4; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.111; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256E.01; 256E.02; 256E.03, subdivision 5; 256E.04; 256E.05; 256E.06; 256E.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivision 1; 256H.20; 256H.21, subdivision 10; 256H.22, subdivision 1, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by

adding subdivisions; 257.57, subdivision 2; 260.165, by adding a subdivision; 268A.03; 270A.04, subdivision 2; 270A.08, subdivision 2; 393.07, subdivisions 10 and 10a; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 631.425, subdivisions 3 and 7; and 643.29, subdivision 1; and Laws 1988, chapter 689, article 2, section 256, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; 214; 241; 245; 252; 256; 256B; and 256H; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 245.476, subdivisions 1, 2, and 3; 246.18, subdivisions 3 and 3a; 252.275, subdivision 2; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.09, subdivision 4; 256D.101, subdivision 2; and 256H.25.

Mr. Moe, R.D. moved that S.F. No. 1550 be laid on the table. The motion prevailed.

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

S.F. No. 1551: A bill for an act relating to appropriations; appropriating money from the bond proceeds fund for the construction of a visitor's center at Lac Qui Parle Wildlife Management Area.

Referred to the Committee on Finance.

Messrs. Bertram, Finn, Stumpf and Merriam introduced—

S.F. No. 1552: A bill for an act relating to crimes; requiring that board of pardons hearings must be open to the public; providing that a victim, the sentencing judge, prosecuting attorney, and law enforcement agencies have a right to submit oral or written statements recommending pardon granting or denial at board of pardon hearings; requiring the clerk of the board of pardons to notify victims of the applicant's crime of the time and place of the board of pardons hearing; amending Minnesota Statutes 1990, sections 471.705, subdivision 1; 638.02, subdivision 2; 638.04; 638.05; and 638.06.

Referred to the Committee on Judiciary.

Messrs. DeCramer; Frank; Langseth; Johnson, D.E. and Mehrkens introduced—

S.F. No. 1553: A bill for an act relating to traffic regulation; prohibiting radar detectors; providing for payments, forms, and records; amending Minnesota Statutes 1990, sections 169.99, subdivision 1b; and 171.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 719 be taken from the table. The motion prevailed.

H.F. No. 719: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other

purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 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, and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 21, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977;



268.98; 268A.06, by adding a subdivision; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 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; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 719 and that the rules of the Senate be so far suspended as to give H.F. No. 719 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 719 was read the second time.

Mr. Merriam moved to amend H.F. No. 719 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 719, and insert the language after the enacting clause, and the title, of S.F. No. 1550, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 8, delete lines 39 to 63

Page 9, delete lines 1 to 4 and insert:

“Provided there is no conflict with any collective bargaining agreement, an employer shall not reduce employee positions for restructuring or any other purpose except through mitigation, attrition,

transfers, and retirement and shall not reduce positions through layoff.”

The motion did not prevail. So the amendment was not adopted.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1086 at 2:10 p.m.:

Messrs. Frederickson, D.J.; Johnson, D.J.; Pogemiller; Price and Ms. Reichgott. The motion prevailed.

Mr. Berg moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 88, delete lines 35 and 36

### CALL OF THE SENATE

Mr. Frank imposed a call of the Senate for the balance of the proceedings on H.F. No. 719. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Berg amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Halberg	Larson	Renneke
Beckman	Brataas	Hottinger	McGowan	Sams
Belanger	Davis	Johnson, D.E.	Mehrkens	Storm
Benson, D.D.	Day	Johnston	Morse	Stumpf
Benson, J.E.	DeCramer	Knaak	Neuville	Vickerman
Berg	Frederickson, D.R.	Laidig	Olson	
Bernhagen	Gustafson	Langseth	Pariseau	

Those who voted in the negative were:

Berglin	Frank	Lessard	Novak	Riveness
Chmielewski	Frederickson, D.J.	Luther	Pappas	Samuelson
Cohen	Hughes	Marty	Piper	Solon
Dahl	Johnson, D.J.	Merriam	Pogemiller	Spear
Dicklich	Johnson, J.B.	Metzen	Price	Traub
Finn	Kelly	Moe, R.D.	Ranum	Waldorf
Flynn	Kroening	Mondale	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Lessard moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 70, after line 7, insert:

“Sec. 47. Minnesota Statutes 1990, section 268.022, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to all other contributions, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of contributions under section 268.06, subdivision

25, 26, 27, or 28, or an employer with fewer than 20 employees or less than \$1,000,000 in annual sales, is liable for a special assessment levied at the rate of one-tenth of one percent per year on all wages for purposes of the contribution payable under section 268.06, subdivision 2, as defined in section 268.04, subdivision 25. Such assessment shall become due and be paid by each employer to the department of jobs and training on the same schedule and in the same manner as other contributions required by section 268.06.

(b) The special assessment levied under this section shall not affect the computation of any other contributions, assessments, or payment obligations due under this chapter.”

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 11, after line 19, insert:

“The commissioner of human services shall maintain the 35 skilled nursing facility (SNF) beds for developmentally disabled residents at the Faribault regional treatment center. The transfer of the hospital building at the Faribault regional treatment center to the department of corrections may take place only after alternative, state-operated SNF facility space has been developed for residents on the campus of Faribault regional treatment center.”

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 193, after line 32, insert:

“Sec. 30. [256D.065] [GENERAL ASSISTANCE AND WORK READINESS PAYMENTS FOR NEW RESIDENTS.]

*Notwithstanding any other provisions of sections 256D.01 to 256D.21, otherwise eligible assistance units without minor children, who have been residing in the state less than six months, shall be granted general assistance and work readiness payments in an amount that, when added to the nonexempt income actually available to the assistance unit, shall be no greater than 60% of the amount that the assistance unit would be eligible to receive under section 256D.06, subdivision 1. A unit may receive benefits in excess of this amount, equal to the lesser of the benefits the unit actually received in the last state of residence or the maximum benefits allowable under section 256D.06, subdivision 1. To receive the higher benefit amount, the assistance*

*unit must provide verification of the amount of assistance received in the last state of residence. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270. Any savings realized as a result of this section are transferred to the medical assistance account and are appropriated to the commissioner of human services to provide rate increases for intermediate care facilities for mentally retarded persons, semi-independent living services, home and community-based waived services, developmental achievement centers, community support programs, and residential facilities for persons with mental illness, which must be used to increase staff salaries."*

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Moe, R.D.	Stumpf
Benson, D.D.	Frederickson, D.R.	Langseth	Mondale	Traub
Berg	Halberg	Larson	Morse	Vickerman
Bertram	Johnson, D.E.	Lessard	Olson	
Brataas	Johnston	McGowan	Pariseau	
Chmielewski	Kelly	Mehrrens	Renneke	
Davis	Knaak	Metzen	Sams	

Those who voted in the negative were:

Adkins	Dicklich	Hughes	Merriam	Samuelson
Beckman	Finn	Johnson, J.B.	Pappas	Spear
Berglin	Flynn	Kroening	Piper	Waldorf
Cohen	Frank	Luther	Ranum	
DeCramer	Hottinger	Marty	Riveness	

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 18, after line 39, insert:

"When cost-effective, the commissioner may use money received for the services for children with handicaps program to purchase health coverage for eligible children."

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 719, as amended by the Senate May 6, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1550.)

Page 73, after line 34, insert:

"Sec. 50. Minnesota Statutes 1990, section 471.705, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise expressly provided by statute, all

meetings, including executive sessions, of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district however organized, unorganized territory, county, city, town, or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public, except meetings of the board of pardons and the commissioner of corrections. The votes of the members of such state agency, board, commission or department or of such governing body, committee, subcommittee, board, department or commission on any action taken in a meeting herein required to be open to the public shall be recorded in a journal kept for that purpose, which journal shall be open to the public during all normal business hours where such records are kept. The vote of each member shall be recorded on each appropriation of money, except for payments of judgments, claims and amounts fixed by statute. This section shall not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary proceedings.”

Page 85, after line 22, insert:

“Sec. 58. Minnesota Statutes 1990, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy thereof with the district court of the county in which the conviction occurred, ~~whereupon and the court shall order the conviction set aside and all records pertinent to the conviction sealed. These records shall only be reopened in the case of a criminal judicial proceeding thereafter instituted~~ include a copy of the pardon in the court file.

Sec. 59. Minnesota Statutes 1990, section 638.04, is amended to read:  
638.04 [MEETINGS.]

The board of pardons shall hold meetings at least twice each year and shall hold a meeting whenever it takes formal action on an application for a pardon or commutation of sentence. All board meetings shall be open to the public as provided in section 471.705.

*The victim of an applicant's crime has a right to submit an oral or written statement at the meeting. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the application for a pardon or commutation should be granted or denied. In addition, any law enforcement agency may submit an oral or written statement at the meeting, giving its recommendation on whether the application should be granted or denied. The board must consider the victim's and the law enforcement agency's statement when making its decision on the application.*

Sec. 60. Minnesota Statutes 1990, section 638.05, is amended to read:  
638.05 [APPLICATION FOR PARDON.]

Every application for a pardon or commutation of sentence shall be in writing, addressed to the board of pardons, signed by the convict or some one in the convict's behalf, shall state concisely the grounds upon which the pardon or commutation is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the same is substantially correct; if such statement and endorsement are not furnished, the reason thereof shall be stated;

(5) The age, birthplace, parentage, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

*Every application for a pardon or commutation of sentence shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the pardon or commutation is sought.*

Sec. 61. Minnesota Statutes 1990, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every such application shall be filed with the clerk of the board of pardons. If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed thereon. The clerk shall, immediately on receipt of any application, mail notice thereof, and of the time and place of hearing thereon, to the judge of the court wherein the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office; ~~provided, pardons or commutations of sentence of persons committed to a county jail or workhouse may be granted by the board without notice.~~ *The clerk shall also make all reasonable efforts to locate any victim of the applicant's crime. The clerk shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04."*

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 719 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Brataas	Knaak	Olson	Pariseau
Berg	Halberg			

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 3, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Mr. President:

I have vetoed Chapter 46, Senate File 539, a bill that would amend the Minnesota Antitrust Law as it relates to suppliers, distributors and dealers.

The bill is designed to overrule a unanimous 1984 decision of the United States Supreme Court as it applies in Minnesota. That decision held that pricing complaints followed by termination of a discounter did not raise an inference of conspiracy.

Antitrust claims would be encouraged under Senate File 539, particularly those involving supplier/dealer discussions of pricing practices of a second dealer, where the second dealer is later terminated by the supplier. In such situations, an inference of conspiracy is permitted and the case would go to the jury. Only during trial could the supplier show that the decision to terminate was based on factors such as advertising, display space or, perhaps, customer service. In order to simply make this kind of response, suppliers could well face litigation costs in the hundreds of thousands of dollars.

If allowed to become law, manufacturers all over the world would have to adopt special policies, unique to Minnesota, for choosing and not choosing dealers. Further, they would likely be very selective in their signing of

dealers or choose not to have dealers in Minnesota at all. Inevitably dealers would cluster along the borders in the Dakotas and Iowa but they probably would not be inclined to do business along "main street" in greater Minnesota.

What makes this combination of concerns disturbing is that the legislation, if signed, would become effective the day after enactment. This, of course, allows absolutely no time for notification of a major reversal of a high court decision that governs the supplier, distributor, dealer relationship - one where national uniformity is important to permit consistent application of a supplier's distribution policies. It is also important to point out that Senate File 539 turns conduct that would be innocent elsewhere into a conspiracy characterization in Minnesota. Additionally, under the bill, antitrust defendants would be subject to threat of treble damages.

I believe legislation dealing with matters as complex as evidence in antitrust claims deserves the meticulous review of the House and Senate Judiciary Committees. Unfortunately, that did not occur. Instead, the bill was referred to the Commerce Committees in both bodies. A motion on the House floor to refer it to the Judiciary Committee was defeated.

It appears that the Legislature simply did not give this measure adequate nor balanced consideration. Clearly, legislation of this magnitude should be handled more judiciously.

Sincerely,  
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 539 and the veto message thereon be laid on the table and printed in the Journal. The motion prevailed.

### REPORTS OF COMMITTEES

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

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

S.F. No. 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; 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.



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

Page 2, line 6, delete “and” and insert “or”

Page 2, line 7, after “fertilizer” insert “or pesticide”

Page 2, line 12, delete “trailer” in both places and insert “semitrailer”

Page 2, line 16, delete “trailer” and insert “semitrailer”

Page 5, line 19, delete “trailer” and insert “semitrailer”

Page 6, line 25, delete “and” and insert “or” and after “fertilizer” insert “or pesticide”

Page 6, line 32, strike “effective” and before “July” insert “suspended until”

Page 6, line 33, delete “effective” and insert “suspended until”

Page 7, line 2, delete “9” and insert “8”

Page 7, line 3, after the period, insert “Section 9 is effective retroactively to April 1, 1991.”

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

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

S.F. No. 783: 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.

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

Page 5, line 6, delete “and”

Page 5, after line 6, insert:

“(9) for a licensed home care agency with no more than two generating employees, a fee of \$40;

(10) for a licensed home care agency with more than two generating employees, a fee of \$20 for each generating employee, up to a maximum fee of \$225; and”

Page 5, line 7, delete “(9)” and insert “(11)”

Page 9, line 5, delete “\$ . . . . .” and insert “\$104,000”

Page 9, line 7, after the period, insert “The amount appropriated from the general fund to the pollution control agency for hazardous waste control for fiscal years 1992 and 1993 by S.F. No. 1533 is reduced by \$220,000 in order to reflect the transfer of responsibilities provided for in this act.”

Page 9, line 8, delete “. . . . .” and insert “one”

Page 9, line 10, delete “. . . . .” and insert “two.”

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. 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 do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-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 be amended as follows:

Page 1, after line 6, insert:

“Section 1. [MINNEAPOLIS AND HASTINGS VETERANS HOMES; LONG-RANGE PLAN; RELOCATION OF RESIDENTS.]

*Subdivision 1. [LONG-RANGE PLAN.] The veterans nursing home board shall develop a long-range plan for the Minneapolis and Hastings campuses. The plan must include a physical plant assessment of all buildings on the two campuses, a proposal for the configuration of nursing and domiciliary beds on each campus or on alternative sites, and a determination of how to best meet the present and future needs of veterans. The report shall consider cost estimates and systemwide objectives for serving veterans. The board shall report to the legislature by February 15, 1992. Until the report is submitted to the legislature, the department of health shall not reduce the licensed bed capacity for the Minneapolis veterans home during the biennium ending June 30, 1993.*

*Subd. 2. [RELOCATION OF RESIDENTS.] The board shall relocate all residents and programs from building 6 on the Minneapolis campus by October 1, 1991.”*

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “requiring a long-range plan for the Minneapolis and Hastings veterans homes; requiring relocation of residents;”

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. 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, 2, 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, line 26, reinstate the stricken "\$40" and delete the new language

Page 2, line 29, reinstate the stricken "\$60" and delete the new language

Page 2, line 32, reinstate the stricken "\$125" and delete the new language

Page 2, line 35, reinstate the stricken "\$360" and delete the new language

Page 3, line 2, delete "*for the first*"

Page 3, delete lines 3 and 4

Page 3, line 36, reinstate the stricken language and delete the new language

Page 4, lines 2 to 18, reinstate the stricken language and delete the new language

Page 7, line 11, after the first comma, insert "*Minnesota Statutes 1990*" and delete "*13*" and insert "*18.60*"

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. 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, after "*NONCOMMERCIAL*" insert "*BROADCAST FACILITIES*" and after "*TRANSLATOR*" delete "*BROADCAST*"

Page 1, line 14, strike "in the county"

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. 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:

Pages 2 to 4, delete section 9

Page 5, lines 18 and 19, delete "*16*" and insert "*15*"

Page 5, line 33, delete "40" and insert "45" and delete "4" and insert "7"

Page 7, line 14, delete "40" and insert "45" and delete "4" and insert "7"

Page 8, delete line 23 and insert:

*"This act is effective July 1, 1991."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "29.22;"

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

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

H.F. No. 882: 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. Report adopted.

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

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.

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 275, 783, 208, 105, 786, 1116 and 510 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 882 and 722 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Spear and Kelly introduced—

Senate Resolution No. 69: A Senate resolution congratulating William E. Falvey for his exceptional service to the citizens of Minnesota during his service on the Minnesota Sentencing Guidelines Commission.

Referred to the Committee on Rules and Administration.

Messrs. Spear and Kelly introduced—

Senate Resolution No. 70: A Senate resolution congratulating Stephen C. Rathke for his exceptional service to the citizens of Minnesota during his service on the Minnesota Sentencing Guidelines Commission.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 906, 1316 and H.F. Nos. 155, 1054, which the committee recommends to pass.

H.F. No. 1151, which the committee recommends to pass with the following amendment offered by Mr. Kelly:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 469.084, is amended by adding a subdivision to read:

*Subd. 15. [BID LAW EXEMPTION.] If the port authority receives real property through termination of a revenue agreement, as defined in section 469.153, subdivision 10, or as the result of refinancing and contracts with a corporation to operate the property, the corporation may sell, purchase, or rent supplies, materials, or equipment, or construct, alter, expand, repair, or maintain the real property without regard to section 471.345.*

Sec. 2. [GENERAL OBLIGATION BONDS.]

*The sale of general obligation school building bonds, under the authority of Laws 1990, chapter 604, article 8, section 10, and pursuant to a resolution of the governing body of independent school district No. 625 adopted by a two-thirds majority vote on April 16, 1991, is valid.*

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment. Section 2 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of independent school district No. 625.”*

Delete the title and insert:

“A bill for an act relating to local government; exempting certain St. Paul port authority activities from competitive bidding requirements; validating the sale of certain school building bonds; amending Minnesota Statutes 1990, section 469.084, by adding a subdivision.”

The motion prevailed. So the amendment was adopted.

S.F. No. 809, which the committee recommends to pass with the following amendments offered by Mrs. Pariseau and Mr. McGowan:

Mrs. Pariseau moved to amend S.F. No. 809 as follows:

Page 11, after line 17, insert:

“Sec. 14. Minnesota Statutes 1990, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

- (1) Engages in brawling or fighting; or
- (2) Disturbs an assembly or meeting, not unlawful in its character; or
- (3) Engages in offensive, obscene, ~~or abusive language or in~~, boisterous ~~and~~, or noisy conduct ~~or in offensive, obscene, or abusive language~~ tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure."

Page 12, line 4, delete "15" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 21, after the first semicolon, insert "609.72, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend S.F. No. 809 as follows:

Page 9, delete lines 29 and 30

Page 11, line 6, delete "*Proof of a*" and insert "*Possession of*"

Page 11, line 7, delete "*prior*" and after "*written*" insert "*evidence of prior*"

The motion prevailed. So the amendment was adopted.

H.F. No. 525, which the committee recommends to pass with the following amendment offered by Mr. Beckman:

Amend H.F. No. 525, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1099.)

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

Page 4, line 4, before the period, insert "*; or*"

(5) *the individual is a licensed physician, who has 480 hours of experience in a licensed chemical dependency program*"

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.

### MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today from 4:05 to 4:25 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Tuesday, May 7, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, May 7, 1991

The Senate met at 12:30 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, Rabbi Norman M. Cohen.

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

Adkins	Day	Johnson, D.J.	Mehrkens	Price
Beckman	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
Berglin	Frank	Kroening	Morse	Sams
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Solon
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
Davis	Johnson, D.E.	McGowan	Pogemiller	Waldorf

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 3, 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
	331	44	4:25 p.m. May 2	May 2
	73	45	4:31 p.m. May 2	May 2
	739	58	4:35 p.m. May 2	May 2

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 719:

H.F. No. 719: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 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, and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by

adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 2l, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.06, by adding a subdivision; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 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; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Greenfield; Rodosovich; Anderson, R.; Murphy and Segal have been appointed as such committee on the part of the House.

House File No. 719 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1991

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 719, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1631.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1991

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 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; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 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; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a;

373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 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; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

Mr. Moe, R.D. moved that H.F. No. 1631 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

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

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

S.F. No. 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. Report adopted.

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

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.

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 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. *If the responsible authority is a state agency, the amount received is appropriated to the agency and added to the appropriations from which the costs were paid.* If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.”

Page 2, delete section 3

Page 3, delete section 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “sections” insert “13.03, subdivision 3;”

Page 1, line 8, delete “16A.662, subdivision 4;”

Page 1, line 9, delete “; proposing” and insert a period

Page 1, delete line 10

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

adopted.

Mr. Merriam from the Committee on Finance, to which was referred S.F. No. 1528: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Delete everything after the enacting clause and insert:

“Section 1. [DEPARTMENT OF CORRECTIONS.]

*Subdivision 1. The sums set forth in this section are appropriated from the general fund to the commissioner of corrections for payment to the persons named in this section in full and final payment of claims against the state. These appropriations are available until June 30, 1992.*

*Subd. 2. Ovis Adonay, at Minnesota correctional facility - Stillwater, for artists' supplies lost due to mishandling by prison staff . . . . . \$25.00.*

*Subd. 3. Charles Croud, 3550 Penn Avenue North, Apartment #3, Minneapolis, MN 55422, for injury to his left index finger sustained while working at Minnesota correctional facility - Stillwater . . . . . \$1,875.00.*

*Subd. 4. William Daher, 685 106th Lane Northwest, Apartment #3, Coon Rapids, MN 55433, for injury to the third finger on his left hand sustained while working at Minnesota correctional facility - Stillwater . . . . . \$1,875.00.*

*Subd. 5. Daniel Goodbear, Minnesota correctional facility - Lino Lakes, for belongings lost due to mishandling by prison staff . . . . . \$75.00.*

*Subd. 6. William Helenboldt, Minnesota correctional facility - Stillwater, for injury to his left hand sustained while working at Minnesota correctional facility - Stillwater, \$11,400.00.*

*Subd. 7. Carla Rae Horn, 1697 Ford Parkway, St. Paul, MN 55116, for damage to a television set due to mishandling by prison staff at Shakopee . . . . . \$50.00.*

*Subd. 8. Perry Immerman, 236 Clifton Avenue, Minneapolis, MN 55403, for injuries sustained to his right thumb while working at Minnesota correctional facility - Lino Lakes . . . . . \$1,125.00.*

*Subd. 9. Peter Jessen, c/o James Reichert, Attorney, 915 Grain Exchange Building, 400 South 4th Street, Minneapolis, MN 55415, for injury to his left thumb, index and middle fingers sustained while working at Minnesota correctional facility - Lino Lakes . . . . . \$19,125.00.*

*Subd. 10. Louis Linskie, c/o John Kuukari, 211 West 2nd Street - 3rd Floor, Duluth, MN 55802, for injury to the second, third, and fourth fingers of his right hand sustained while working at Minnesota correctional facility - St. Cloud . . . . . \$2,250.00.*

*Subd. 11. John Murphy, Minnesota correctional facility - Stillwater, for belongings lost due to mishandling by prison staff . . . . . \$140.00.*

*Subd. 12. Darrell Olson, Minnesota correctional facility - St. Cloud, for injury to the fifth finger of his left hand sustained while working at Minnesota correctional facility - St. Cloud . . . . . \$1,125.00.*

*Subd. 13. Michael Picht, 14100 North 78th Avenue, Peoria, AZ 85345, for injury to the fifth finger on his left hand sustained while working at Minnesota correctional facility - Willow River/Moose Lake . . . . . \$562.50.*

*Subd. 14. For reimbursement to state or local agencies of amounts paid for medical services to individuals who were injured while performing community service work for correctional purposes under Minnesota Statutes, section 3.739:*

*(1) for claims under \$500.00 each . . . . . \$2,465.28; and*

*(2) for medical services provided to Jon R. Soleta, for injuries sustained when he fell from a trailer at Talcot Park in Cottonwood county while loading drainfield sections as part of his community service requirement . . . . . \$12,258.82.*

**Sec. 2. [DEPARTMENT OF PUBLIC SAFETY.]**

*Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of public safety for payment to the persons named in this section in full and final payment for fines assessed due to erroneous weight limits posted on the Champlin bridge. The appropriation is available until June 30, 1992.*

*Subd. 2. Aqua City Irrigation, 5428 Nicollet Avenue, Minneapolis, MN 55419 . . . . . \$156.00.*

*Subd. 3. Frank Brody, 3805 Reservoir Boulevard, Minneapolis, MN 55421 . . . . . \$2,444.00.*

*Subd. 4. Bumgardners Asphalt Company, 396 Dayton Avenue, St. Paul, MN 55102 . . . . . \$876.00.*

*Subd. 5. Commercial Furniture Movers Inc., 4301 Highway 7, St. Louis Park, MN 55416 . . . . . \$1,532.00.*

*Subd. 6. Crosstown Sign Company, 10166 Central Avenue NE, Minneapolis, MN 55434 . . . . . \$460.00.*

*Subd. 7. Egan-McKay Electrical Contractors, Inc., 7100 Medicine Lake Road, Minneapolis, MN 55427 . . . . . \$642.00.*

*Subd. 8. Eagle Express Inc. and Mark Staley, 3980 South Kingan, Apartment 205, St. Francis, WI 53207 . . . . . \$300.00.*

*Subd. 9. Elk River Concrete Products, 7575 Golden Valley Road, Minneapolis, MN 55427 . . . . . \$3,429.00.*

*Subd. 10. Michael L. Fries, 215 West Raven Street, Belle Plaine, MN 56011 . . . . . \$748.00.*

*Subd. 11. Meyer Golden, 8117 North 28th Avenue, New Hope, MN 55427 . . . . . \$1,068.00.*

*Subd. 12. Green Field Trans. Co. Inc., P.O. Box 1235, Fort Dodge, IA 50501 . . . . . \$1,580.00.*

*Subd. 13. Layson Inc., P.O. Box 94045, Washington, MI 48094 . . . . . \$2,406.00.*

*Subd. 14. McDonough Truck Line, Inc., 3105 Industrial Drive, Faribault, MN 55021 . . . . . \$1,484.00.*

*Subd. 15. Moyer Trucking Corp., c/o North Star Transport, Inc., 837 Apollo*

Road, P.O. Box 21-307, St. Paul, MN 55121 . . . . . \$2,186.00.

Subd. 16. Muller Pribyl Util. Inc., 2402 Hwy. 55, Hamel, MN 55340  
. . . . . \$60.00.

Subd. 17. Noble Nursery Inc., 10530 Troy Lane, Maple Grove, MN 55369  
. . . . . \$828.00.

Subd. 18. Northern States Power Co., 414 Nicollet Mall, Minneapolis, MN  
55401 . . . . . \$4,268.00.

Subd. 19. Overnite Express Inc., 501 16th Street, P.O. Box 250, Newport,  
MN 55055 . . . . . \$2,652.00.

Subd. 20. Phil Mark Excavating Inc., Route 1, Box 152, Clearwater, MN  
55320 . . . . . \$2,716.00.

Subd. 21. Product Fabricators Inc., Industrial Park, North Branch, MN  
55056 . . . . . \$940.00.

Subd. 22. Specialized Hauling Inc., P.O. Box 567, 1500 Omaha Street,  
Sioux City, IA 51102 . . . . . \$4,953.00.

Subd. 23. Structural Component Supply Company, 1029 North 4th, Cannon  
Falls, MN 55009 . . . . . \$780.00.

Subd. 24. Tropical Gardens 1, Inc., 1296 Kowalski Road, Mosinee, WI  
54455 . . . . . \$556.00.

Subd. 25. Universal Am-Can, Ltd., P.O. Box 2007, Warren, MI 48090-  
9938 . . . . . \$1,500.00.

### Sec. 3. [DEPARTMENT OF TRANSPORTATION.]

*Subdivision 1. The department of transportation shall pay the actual costs of connecting the persons named in this section to city water, including frontage assessments, meter charges, connection fees, and hookup costs not to exceed the amounts specified. Acceptance by a claimant of the department's action under this section is a complete settlement of the claimant's claim for damages resulting from contamination of residential water.*

Subd. 2. David Hoheisel, Route 2, Box 32, Little Falls, MN 56345  
. . . . . \$5,000.00.

Subd. 3. Mark Ray Miedema, 204 14th St. SW, Little Falls, MN 56345  
. . . . . \$7,000.00.

Subd. 4. Donald E. Opatz, Route 2, P.O. Box 342, Little Falls, MN 56345  
. . . . . \$5,000.00.

Subd. 5. George and Marlys Winkowski, Route 2, Box 6, Little Falls, Min-  
nesota 56345 . . . . . \$5,000.

### Sec. 4. [DEPARTMENT OF NATURAL RESOURCES.]

*Subdivision 1. The sum set forth in this section is appropriated from the general fund to the commissioner of natural resources for payment to the persons named in full and final payment of claims against the state. The appropriation is available until June 30, 1992.*

Subd. 2. Douglas and Kathy Grossman, 32163 North Lakes Trail, Lind-  
strom, MN 55045, for damages incurred as a result of the department of nat-  
ural resources' failure to inform claimants about required permits . . . . .  
\$7,500.00.



Sec. 5. [DEPARTMENT OF PUBLIC SAFETY; LEGAL DEFENSE COSTS.]

Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of public safety for payment to the persons named in full and final payment of claims against the state. The appropriations are available until June 30, 1992.

Subd. 2. Philip H. Hodapp, 140 Meadow Lane, Mankato, MN 56001, for legal defense costs relating to possible criminal negligence charges resulting from a motor vehicle accident while performing duties for the state patrol . . . . . \$3,500.00.

Subd. 3. Michael A. Theis, 1206 Barrette Street, Apartment #103, Crookston, MN 56716, for legal defense costs relating to possible criminal negligence charges resulting from a motor vehicle accident while performing duties for the state patrol . . . . . \$2,567.61.

Sec. 6. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. The sum set forth in this section is appropriated from the trunk highway fund to the commissioner of transportation for payment to the person named in full and final payment of claims against the state. The appropriation is available until June 30, 1992.

Subd. 2. Acton Township, Meeker County, c/o Don Slinden, Jr., R.R. 2, Box 248, Awater, Minnesota, for chloride used as dust control on township roads that were used as an alternative to a state-established detour . . . . . \$7,488.00.

Sec. 7. [DEPARTMENT OF VETERANS AFFAIRS.]

Subdivision 1. The sums set forth in this section are appropriated from the general fund to the commissioner of veterans affairs for payment to the persons named in full and final payment of claims against the state for adjusted compensation arising from World War II, the Korean conflict, and Vietnam service. The appropriations are available until June 30, 1992.

Subd. 2. [WORLD WAR II.] Lester H. Bock, 10469 Woodrow Road NE, Brainerd, MN 56401 . . . . . \$360.00.

Subd. 3. [WORLD WAR II-MERCHANT MARINE.] Harrison T. Alink, 803 6th Avenue SE, Austin, MN 55912 . . . . . \$60.00.

Archer L. Anderson, 5938 Sheridan Avenue South, Minneapolis, MN 55410 . . . . . \$195.00.

Douglas R. Anderson, 6505 21st Avenue South, Richfield, MN 55423 . . . . . \$240.00.

Orrie M. Anderson, Box 227, Adams, MN 55909 . . . . . \$60.00.

Raymond C. Anderson, 6825 West Broadway, Brooklyn Park, MN 55428 . . . . . \$390.00.

Edward J. Andryski, 3105 North Zenith Avenue, Robbinsdale, MN 55422 . . . . . \$30.00.

William D. Best, 2106 10th Place NE, Austin, MN 55912 . . . . . \$315.00.

Leonard F. Block, 304 10th Street NW, Austin, MN 55912 . . . . . \$270.00.

*John M. Brommer, 10617 Queen Avenue South, Bloomington, MN 55431*  
 . . . . . \$180.00.

*Robert E. Clappier, 7149 Coachwood Road, Woodbury, MN 55125*  
 . . . . . \$195.00.

*Stanley W. Cox, 528 East 131st Street, Burnsville, MN 55337* . . . . .  
 \$90.00.

*Elmer B. Deick, 1207 6th Avenue Southwest, Austin, MN 55912* . . . . .  
 \$225.00.

*Delbert F. DeMars, 2663 16th Avenue East, North St. Paul, MN 55109*  
 . . . . . \$75.00.

*Ivan W. DeMars, 3890 Van Dyke Street, White Bear Lake, MN 55110*  
 . . . . . \$285.00.

*Oliver H. Dunn, 612 South Missouri Avenue, Belleville, IL 62220* . . . . .  
 \$400.00.

*Leonard S. Dzieweczynski, R.R. 1, Box 58, Swanville, MN 56382* . . . . .  
 \$60.00.

*Harold R. Freeberg, 2985 North Fairview, St. Paul, MN 55113* . . . . .  
 \$300.00.

*Thomas H. Gallagher, 4113 20th Avenue South, Minneapolis, MN 55407*  
 . . . . . \$390.00.

*Laurel L. Glessing, Highway 12 West, Cokato, MN 55321* . . . . .  
 \$45.00.

*Leonard G. Hensel, P.O. Box 276, Howard Lake, MN 55349* . . . . .  
 \$60.00.

*Harold R. Johnson, 1310 10th Avenue Northwest, Austin, MN 55912*  
 . . . . . \$15.00.

*Reuben E. Johnson, HCR 3, Box 195, Lutsen, MN 55604* . . . . .  
 \$255.00.

*William D. Liebelt, 1571 Wheelock Lane, Apartment #203, St. Paul, MN*  
 55117 . . . . . \$150.00.

*Kenneth L. Lockway, 332 Maria Avenue, St. Paul, MN 55106* . . . . .  
 \$135.00.

*Austin G. McCann, 537 St. Andrews Drive, Waite Park, MN 56387*  
 . . . . . \$60.00.

*Terrance R. McCullen, 13407 Wagner Drive, Bayonet Point, FL 34667*  
 . . . . . \$240.00.

*Alvin J. Metelak, 5442 North Central Avenue, Chicago, IL 60630* . . . . .  
 \$45.00.

*James E. Neuwirth, 4400 Southeast Naef Road, Apartment #F-24, Mil-*  
*waukie, OR 97267* . . . . . \$285.00.

*Earl L. Olson, P.O. Box 2069, Stillwater, MN 55082* . . . . . \$120.00.

*Robert L. Pagel, 3954 Southview Drive, San Diego, CA 92117* . . . . .  
 \$210.00.

*Harold R. Quesenberry, 1130 Richards Avenue, Colorado Springs, CO*

80906 . . . . . \$375.00.

*F. Milo Reker, 1603 Okabena Street, Worthington, MN 56187 . . . . . \$75.00.*

*George W. Savage, 19450 Bauer Circle, Hastings, MN 55033 . . . . . \$240.00.*

*Earl A. Schwartz, 7374 Irvin Avenue South, Cottage Grove, MN 55016 . . . . . \$75.00.*

*Ellard L. Skuza, 5637 North East River Road, Sauk Rapids, MN 56379 . . . . . \$105.00.*

*Arnold J. Trombley, 321 3rd Street, Elk River, MN 55330 . . . . . \$370.00.*

*Warren E. Velenchenko, 9100 Portland Avenue South, Bloomington, MN 55420 . . . . . \$375.00.*

*Robert H. Vierkant, 4738 45th Street NE, Sauk Rapids, MN 56379 . . . . . \$120.00.*

*Arthur V. Wenner, 312 Dudrey Court, Moorhead, MN 56560 . . . . . \$255.00.*

*Jacob Westra, 714 14th Street Northeast, Austin, MN 55912 . . . . . \$45.00.*

*Subd. 4. [WORLD WAR II-BENEFICIARY.] Sidonia B. Baker, 407 SW 11th Avenue, Apartment #115, Forest Lake, MN 55025 . . . . . \$195.00.*

*Lois I. Bowers, 604 North 4th Street, Stillwater, MN 55082 . . . . . \$120.00.*

*Lucille T. Hansen, 899 Cleveland Avenue, Apartment #910, St. Paul, MN 55116 . . . . . \$165.00.*

*Subd. 5. [KOREAN.] Marilyn J. Amerson, 200 NE 1st Avenue, Apartment #1010A, Austin, MN 55912 . . . . . \$127.50.*

*Charles R. Herrmann, 28339 98-1/2 Street, Zimmerman, MN 55398 . . . . . \$97.50.*

*John A. Hodgkin, 6408 Hampshire Avenue North, Minneapolis, MN 55428 . . . . . \$120.00.*

*Granville O. McGee, 4357 Oakland Avenue, Minneapolis, MN 55407 . . . . . \$37.50.*

*Durward C. Peterson, 716 Walsh Street, Crookston, MN 56716 . . . . . \$45.00.*

*Richard L. Radiske, P.O. Box 92, Whipholt, MN 56485 . . . . . \$90.00.*

*George W. Schuneman, Jr., 2222 Blaisdell Avenue South, Apartment #104, Minneapolis, MN 55404 . . . . . \$82.50.*

*Subd. 6. [VIETNAM.] Lloyd E. Arne, Route 2, Box 310, Holly Ridge, NC 28448 . . . . . \$600.00.*

*Perry J. Bakker, Route 2, Box 191, Shell Lake, WI 54871 . . . . . \$600.00.*

*Dana R. Berg, 1415 22nd Street, Apartment #604, Minneapolis, MN 55404 . . . . . \$225.00.*

- Scott H. Boland, Route 3, Box 511A, Mora, MN 55051 . . . . . \$600.00.*
- Lee W. Brown, 510 Folsom Street, Taylors Falls, MN 55084 . . . . . \$300.00.*
- Dennis A. Dandurand, 257 East Park Street, Granite Falls, MN 56241 . . . . . \$100.00.*
- Robert E. Demel, 516 Whitley Avenue, Joliet, IL 60433 . . . . . \$600.00.*
- Douglas D. Dopp, 7925 Quail Avenue North, Brooklyn Park, MN 55443 . . . . . \$285.00.*
- Edward T. Douglas, 5103 Minnehaha Avenue South, Apartment #8, Minneapolis, MN 55417 . . . . . \$225.00.*
- Thomas L. Everson, 210 Elm Avenue, Apartment #7, Montgomery, MN 56069 . . . . . \$100.00.*
- Gary W. Fish, 7464 Colfax Avenue North, Brooklyn Park, MN 55444 . . . . . \$570.00.*
- Manuel Franco, 292 East Robie Street, St. Paul, MN 55107 . . . . . \$100.00.*
- Gene R. Grindstaff, 8419 Oakland Avenue South, Bloomington, MN 55420 . . . . . \$600.00.*
- James D. Hanson, 13172 Hastings Street Northeast, Blaine, MN 55434 . . . . . \$435.00.*
- James B. Kelly, 4295 Liberty Road South, Salem, OR 97302 . . . . . \$100.00.*
- Larry H. Larson, 1063 1st Avenue South, St. James, MN 56081 . . . . . \$100.00.*
- Stephen J. Larson, 2937 Garfield Avenue South, Minneapolis, MN 55408 . . . . . \$165.00.*
- Daniel A. Lee, 516 Fowler Street, Faribault, MN 55021 . . . . . \$300.00.*
- Kirsten A. Malecha, 193 Strese Lane, Apple Valley, MN 55124 . . . . . \$300.00.*
- Norlan J. Malecha, 193 Strese Lane, Apple Valley, MN 55124 . . . . . \$300.00.*
- Theodore G. Mandeville, 3510 23rd Avenue South, Minneapolis, MN 55407 . . . . . \$100.00.*
- Daniel T. McCabe, 123 West 14th Street, Hastings, MN 55033 . . . . . \$100.00.*
- Michael L. McCarty, 5421 Ponds Drive North, Brooklyn Center, MN 55429 . . . . . \$100.00.*
- Timothy V. Milke, 7030 255th Street East, Faribault, MN 55021 . . . . . \$300.00.*
- Richard A. Patrick, 765 Rose, St. Paul, MN 55106 . . . . . \$300.00.*
- James E. Payne, 1171 Marion, St. Paul, MN 55117 . . . . . \$210.00.*
- Orlan N. Pederson, 381-112 Wabasha, Apartment #2, St. Paul, MN 55101 . . . . . \$300.00.*

*Dale O. Roman, Dom #2, VAMC, 4801 8th Street North, St. Cloud, MN 56303 . . . . . \$195.00.*

*Richard A. Rude, P.O. Box 39, Motley, MN 56466 . . . . . \$105.00.*

*Richard L. Schultz, 1512 St. Paul Road, Apartment #A-8, Owatonna, MN 55060 . . . . . \$600.00.*

*Thomas E. Schwietz, 425 West Ormsby, Apartment #307, Louisville, KY 40203 . . . . . \$600.00.*

*Alvin E. Seitz, 717 20th Street NW, Bemidji, MN 56601 . . . . . \$150.00.*

*John M. Spande, 2840 Highview Drive, Highway 13, Eagan, MN 55121 . . . . . \$195.00.*

*Frank J. Valentine, 2541 34th Avenue South, Minneapolis, MN 55406 . . . . . \$600.00.*

Sec. 8. [EFFECTIVE DATE.]

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

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. 607: A bill for an act relating to highways; permitting the inclusion of certain city streets in the county state-aid street system; amending Minnesota Statutes 1990, section 162.02, subdivision 12.

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

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

S.F. No. 559: A bill for an act relating to motor fuels; requiring the sale of oxygenated gasoline; amending Minnesota Statutes 1990, sections 239.76, by adding a subdivision; and 296.01, 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 "sale" and insert "for use in motor vehicles."

Page 1, delete line 12

Page 1, after line 18, insert:

"Sec. 3. Minnesota Statutes 1990, section 296.02, subdivision 8, is amended to read:

Subd. 8. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE SOLD ~~IN BULK~~ TO GOVERNMENT OR FOR SCHOOL TRANSPORTATION.] A distributor shall be allowed a credit of 80 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold ~~in bulk~~ to the state, local units of government, or for use in the transportation of pupils to and from school-related events in school vehicles. This reduction is in lieu of the reductions provided in subdivision 7."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing a requirement for the agricultural alcohol gasoline tax reduction;"

Page 1, line 4, delete "and"

Page 1, line 5, before the period, insert "; and 296.02, subdivision 8"

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

Mr. Merriam from the Committee on Finance, to which was re-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:

Amend the report from the Committee on Judiciary, adopted by the Senate April 24, 1991, as follows:

Page 8, after line 35, insert:

"Sec. 11. Laws 1990, chapter 610, article 1, section 13, subdivision 4, is amended to read:

Subd. 4. Federal Aid Demonstration	5,600,000
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*Program and Federal Discretionary Bridge Fund Matching*

*This appropriation is from the state transportation fund. Any amount used for the federal discretionary bridge match is intended to reduce the amount available for the federal aid demonstration program, not supplement it."*

Renumber the sections in sequence

Amend the title amendment as follows:

Page 9, line 20, after the first semicolon, insert "providing money for the federal discretionary bridge fund;"

Page 9, line 22, delete "and"

Page 9, line 23, after the semicolon, insert "and Laws 1990, chapter 610, article 1, section 13, subdivision 4;"

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

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

S.F. No. 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 1, delete lines 24 to 26 and insert:

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

*(1) in the first year after taxes are last required to be paid on the property, 55 percent of the last required payment;*

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

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

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

Page 2, delete lines 1 to 22

Page 3, delete lines 21 to 30

Page 3, line 31, delete "6" and insert "5"

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

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

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

S.F. No. 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, section 65B.28, subdivision 2,

and by adding subdivisions.

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

Page 2, line 16, delete “. *The fee must be limited to*” and insert “*under section 16A.128 to cover*”

Page 2, line 18, delete “*a separate account in*” and insert “*the state treasury and credited to*”

Page 2, line 19, delete from “*The*” through page 2, line 21, to the period

Page 2, after line 21, insert:

“Sec. 4. [APPROPRIATION.]

*\$119,000 is appropriated from the general fund to the commissioner of public safety for motor vehicle accident prevention courses as provided in this act. \$64,000 is for fiscal year 1992 and \$55,000 is for fiscal year 1993.”*

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

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

S.F. No. 542: 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.

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

Page 2, line 4, strike “APPROPRIATION; SPECIAL ACCOUNT” and insert “*FINES*”

Page 2, line 6, strike everything after “*treasury*”

Page 2, line 7, strike “*as the emergency medical services relief account*” and delete the new language

Page 2, lines 8 to 17, delete the new language and strike the old language

Page 2, after line 17, insert:

“Sec. 3. [APPROPRIATIONS.]

*\$900,000 each year of the biennium ending June 30, 1993, is appropriated from the general fund to the commissioner of health for distribution to the eight regional emergency medical services systems designated by the commissioner under Minnesota Statutes, 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. \$100,000 each year of the biennium ending June 30, 1993, is appropriated from the general fund to the commissioner of public safety for the expenses of traffic safety educational programs conducted by the state patrol.”*

Page 2, line 18, delete “3” and insert “4”

Amend the title as follows:



Page 1, line 4, after "receipts;" insert "appropriating money;"

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

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

S.F. No. 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:

Pages 7 and 8, delete sections 16 and 17

Page 8, after line 25, insert:

"Sec. 20. [EFFECTIVE DATE.]

*This act is effective July 1, 1991.*"

Re-number the sections in sequence

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

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

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 be amended as follows:

Page 2, delete lines 3 to 10 and insert:

"Subd. 4. [VETERANS HOMES RESOURCES ACCOUNT.] *Money received by the board under subdivision 3 must be deposited in the state treasury and credited to a veterans homes resources account in the special revenue fund. Money in the account is appropriated to the board to operate, maintain, and repair facilities used under subdivision 3, and to pay associated legal fees and expenses.*"

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

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

H.F. No. 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.

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

Page 2, delete section 2

Delete the title and insert:

“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.”

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 109, 740, 1528, 607, 559, 74, 441, 542 and 982 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 606, 609 and 1299 were read the second time.

## MOTIONS AND RESOLUTIONS

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

H.F. No. 1151: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Hughes	McGowan	Pogemiller
Beckman	Day	Johnson, D.E.	Mehrkens	Price
Belanger	DeCramer	Johnson, D.J.	Metzen	Ranum
Benson, D.D.	Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott
Benson, J.E.	Finn	Johnston	Mondale	Renneke
Berglin	Flynn	Kelly	Morse	Riveness
Bernhagen	Frank	Knaak	Neuville	Sams
Bertram	Frederickson, D.J.	Langseth	Novak	Spear
Brataas	Frederickson, D.R.	Larson	Olson	Traub
Chmielewski	Gustafson	Lessard	Pappas	Vickerman
Cohen	Halberg	Luther	Pariseau	
Dahl	Hottinger	Marty	Piper	

So the bill passed and its title was agreed to.

S.F. No. 634: A bill for an act relating to court actions; providing immunity from liability arising out of the use of breath alcohol testing devices in liquor establishments; prohibiting the use of the breath alcohol test as evidence; proposing coding for new law in Minnesota Statutes, chapter 604.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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, D.J.	Merriam	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnson	Moe, R. D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
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	Piper	Waldorf
Dahl	Hughes	McGowan	Pogemiller	
Davis	Johnson, D.E.	Mehrkens	Price	

So the bill passed and its title was agreed to.

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.

Was read the third time 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, 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
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	
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bertram	Finn	Lessard	Metzen	Stumpf
Davis				

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Johnson	Moe, R. D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berglin	Frank	Kroening	Neuville	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Traub
Cohen	Hottinger	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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; 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 weapons violations in public housing zones; increasing the penalty for unlawful possession of a pistol by a minor; amending Minnesota Statutes 1990, sections 260.125, subdivision 3; 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; 609.72, subdivision 1; 609.902, subdivision 4; 624.713, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Berglin	Frank	Kroening	Neuville	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Traub
Cohen	Hottinger	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Berglin	Frank	Kroening	Neuville	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Traub
Cohen	Hottinger	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

H.F. No. 1054: A bill for an act relating to retirement; teachers retirement association; permitting purchases of prior services by certain employees for periods of leave.

Was read the third time 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
Berglin	Frank	Kroening	Neuville	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Traub
Cohen	Hottinger	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

H.F. No. 525: 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.

Was read the third time 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	Day	Johnson, D.J.	Mehrkens	Price
Beckman	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
Berglin	Frank	Kroening	Morse	Sams
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Solon
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
Davis	Johnson, D.E.	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

## GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 520, 306, 782, 1419, 1284, 1091, 1152, 621, 1204 and H.F. Nos. 1201, 478, 357, 178, 276, 74, 239, 192, 200, 808, 671, 90, 36, 282, 1405, 456, 236, which the committee recommends to pass.

S.F. No. 753, which the committee recommends to pass, after the following motion:



Mr. Hottinger moved to amend S.F. No. 753 as follows:

Page 2, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Metzen	Storm
Beckman	Frederickson, D.R.	Langseth	Neuville	
Bertram	Gustafson	Larson	Pappas	
Chmielewski	Hottinger	Lessard	Renneke	

Those who voted in the negative were:

Benson, J.E.	Frederickson, D.J.	Kroening	Morse	Riveness
Berglin	Hughes	Luther	Novak	Sams
Cohen	Johnson, D.E.	Marty	Pariseau	Spear
Davis	Johnson, D.J.	McGowan	Pogemiller	Traub
Finn	Johnson, J.B.	Mehrkens	Price	Vickerman
Flynn	Johnston	Merriam	Ranum	
Frank	Knaak	Mondale	Reichgott	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 525, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 1, after line 15, insert:

“Section 1. Minnesota Statutes 1990, section 152.01, subdivision 12a, is amended to read:

Subd. 12a. [PARK ZONE.] “Park zone” means an area designated as a public park by the federal government, the state, a local unit of government, a park district board, or a park and recreation board in a city of the first class. “Park zone” includes the area within ~~300~~ 1,000 feet or ~~one~~ three city ~~block~~ blocks, whichever distance is greater, of the park boundary.

Sec. 2. Minnesota Statutes 1990, section 152.01, subdivision 14a, is amended to read:

Subd. 14a. [SCHOOL ZONE.] “School zone” means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided;

(2) the area surrounding school property as described in clause (1) to a distance of ~~300~~ 1,000 feet or ~~one~~ three city ~~block~~ blocks, whichever distance is greater, beyond the school property; and

(3) the area within a school bus when that bus is being used to transport one or more elementary or secondary school students.”

Page 1, line 21, delete “300” and insert “1,000”

Page 1, line 22, delete “one” and insert “three” and delete “block” and

insert "*blocks*"

Page 1, after line 22, insert:

"Sec. 4. Minnesota Statutes 1990, section 152.021, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten 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 50 grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, *or one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols in a school zone, a park zone, or a public housing zone.*"

Page 2, line 16, strike everything after "any" and insert "*of the following*"

Page 2, line 17, strike "or II narcotic drug"

Page 2, line 18, before the period, insert ":

*(i) any amount of a schedule I or II narcotic drug;*

*(ii) one or more mixtures containing methamphetamine or amphetamine;*  
or

*(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols"*

Page 2, line 31, strike "or"

Page 2, line 34, strike "or"

Page 3, line 1, strike the period and insert " ; or

*(7) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, or a public housing zone.*

Sec. 8. Minnesota Statutes 1990, section 152.024, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV or V to a person under the age of 18; ~~or~~

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in schedule IV or V; *or*

(4) *the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, or a public housing zone, except a small amount for no remuneration.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone;"

Page 1, line 7, after the second comma, insert "subdivisions 12a, 14a, and"

Page 1, line 8, after the first semicolon, insert "152.021, subdivision 1;"

Page 1, line 9, after the first semicolon, insert "152.024, subdivision 1;"

The motion prevailed. So the amendment was adopted.

S.F. No. 269, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, line 20, after "IS" insert "*UNDER 21 YEARS OF AGE OR*"

Page 1, line 21, delete "*SECTION*" and insert "*SECTIONS*" and after "340A.502" insert "*AND 340A.503*"

The motion prevailed. So the amendment was adopted.

S.F. No. 300, which the committee reports progress, subject to the following motion:

Ms. Flynn moved to amend S.F. No. 300 as follows:

Page 18, line 14, delete "and" and insert a semicolon

Page 18, line 16, after "appears" insert "; and (3) substitute the citation "sections 148.88 to 148.97" for the citation "Laws 1973, chapter 685" wherever the latter citation appears in Minnesota Statutes, sections 148.89, 148.90, 148.93, 148.96, and 148.97"

The motion prevailed. So the amendment was adopted.

S.F. No. 300 was then progressed.

H.F. No. 654, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Page 2, line 3, after the first comma, insert "*subdivision 7,*"

Amend the title as follows:

Page 1, line 4, delete "sensitivity" and insert "dynamics"

The motion prevailed. So the amendment was adopted.

H.F. No. 924, which the committee recommends to pass with the following amendment offered by Mr. DeCramer:

Page 1, line 11, after "a" insert "public"

The motion prevailed. So the amendment was adopted.

H.F. No. 414, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Amend H.F. No. 414, as amended pursuant to Rule 49, adopted by the Senate April 23, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 400.)

Page 2, line 8, before the period, insert ", and may not prohibit the use of deadly force under circumstances in which that force is justified under section 609.066, subdivision 2"

The motion prevailed. So the amendment was adopted.

S.F. No. 195, which the committee recommends to pass with the following amendment offered by Mr. Beckman:

Page 2, line 8, delete "450 liters" and insert "200 gallons"

Page 4, line 22, delete "450 liters" and insert "200 gallons"

The motion prevailed. So the amendment was adopted.

H.F. No. 726, which the committee recommends to pass with the following amendments offered by Messrs. Finn and Merriam:

Mr. Finn moved to amend H.F. No. 726, the unofficial engrossment, as follows:

Page 2, after line 3, insert:

"Sec. 2. Laws 1991, chapter 4, section 1, is amended to read:

Section 1. [507.411] [SATISFACTION AND RELEASE OF MORTGAGES; CORPORATE NAME OR IDENTITY CHANGE.]

When a change in the name or identity of a corporate mortgagee or assignee of the mortgagee is caused by or results from a corporate merger, consolidation, amendment to charter or articles of incorporation, or conversion of articles of incorporation or charter from federal to state charter or, from state to federal charter, or from one form of entity to another, a mortgage satisfaction or release that is otherwise recordable and that specifies, in both the body and acknowledgment, the merger, consolidation, amendment, or conversion event causing the change in name or identity is in recordable form. The satisfaction or release is entitled to be recorded in the office of the county recorder or filed with the registrar of titles, without further evidence of corporate merger, consolidation, amendment of charter or articles of incorporation, or conversion. For purposes of satisfying or releasing the mortgage, the satisfaction or release is prima facie evidence of the facts stated in it with respect to the corporate merger, consolidation, amendment of charter or articles of incorporation, or conversion, and the county recorder and the registrar of titles shall rely upon it to satisfy or release the mortgage."

Page 2, line 5, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*"  
 Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "clarifying provisions for recording a satisfaction or release of a mortgage;"

Page 1, line 6, before the period, insert "; and Laws 1991, chapter 4, section 1"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 726, the unofficial engrossment, as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 519.101, is amended to read:

519.101 [*DOWER AND CURTESY ACTIONS NOT MAINTAINABLE.*]

*Subdivision 1. [GENERAL.] The following actions must be commenced, and a notice of lis pendens filed with the county recorder or registrar of titles in the county where the property is located, within 15 years after the conveyance on which the action is based was recorded with the county recorder or registrar of titles:*

(1) ~~an No action for the recovery of title to or possession of real property; or of any a right therein; or the possession thereof; shall be maintained by any in the property based on a person having any a marital interest or estate in dower or by the curtesy or any a marital interest or estate or statutory interest in lieu of dower or by the curtesy therein, or by anyone claiming; by, through, or under any such the person, where it appears that if the husband or wife spouse of such the person conveyed such the real property, or any interest therein; by a conveyance in writing; prior to the first day of January 1975 in the property; or~~

(2) ~~an and no action shall be maintained for the recovery of title to or possession of real property; or of any a right therein; or the possession thereof; in real property by any a person claiming by reason of the failure of a spouse to join in a conveyance of land which constituted real property that was the homestead of the grantor at the time of the conveyance where such conveyance was made prior to January 1, 1975; unless such action shall be commenced on or prior to the first day of January 1988, and notice thereof filed for record at the time of the commencement of said action in the office of the county recorder in the county where said real property is situate.~~

*Subd. 2. [INCHOATE INTERESTS.] An inchoate estate or statutory interest in lieu of dower or curtesy in real property in this state that is conveyed in writing by the spouse of the person entitled to the inchoate estate or interest is abolished if the conveyance has been recorded with the county recorder or registrar of titles of the county where the real property is located for 15 years or longer. This subdivision does not affect an inchoate estate or statutory interest in lieu of dower or curtesy if an action is commenced and a notice of lis pendens is filed with the county recorder or registrar of titles in the county where the property is located during the 15-year period.*

Sec. 2. [*EXTENSION OF TIME FOR CERTAIN ACTIONS.*]

*Notwithstanding section 1, a person whose claim would be barred by section 1, subdivision 1, or a person whose estate or interest would be abolished by section 1, subdivision 2, may commence an action and file a notice of lis pendens on or before March 1, 1992.*

Sec. 3. [REPEALER.]

*Minnesota Statutes 1990, section 519.09, is repealed.*

Page 2, line 5, delete "Section 1 is" and insert "Sections 1 to 3 are" and after the period, insert "Section 1 applies to all inchoate or vested interests or estates existing on or created on or after the effective date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "for" insert "the statute of limitations for a"

Page 1, line 5, delete "before March 1, 1977"

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1990, section 519.09"

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.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 1:30 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1086 at 2:30 p.m.:

Messrs. Johnson, D.J.; Frederickson, D.J.; Pogemiller; Ms. Reichgott and Mr. Price. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of House Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was 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 be

amended as follows:

Page 11, after line 4, insert:

**“EMPLOYEE CAMPAIGN ACTIVITY**

*Rule 3.04. From the closing of filings for office in the respective body until the general election, no legislative employee may engage in campaign activity during hours of employment. Campaign activity means mailings of campaign committees, fundraising, polling, and campaign material design and dissemination.”*

And when so amended the resolution 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. 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.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for April 30, 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 Rule 35, together with the committee report thereon,

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.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Rural Development, shown in the Journal for April 30, 1991, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

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.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Housing, shown in the Journal for May 3, 1991, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Metropolitan Affairs”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

H.F. No. 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.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 30, 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 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; proposing coding for new law in Minnesota Statutes, chapter 18D.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 30, 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. 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.

Reports the same back with the recommendation that the report from the Committee on Energy and Public Utilities, shown in the Journal for April 25, 1991, be adopted; that committee recommendation being:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under 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, 6, 10, and 11; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 29, 1991, be adopted; that committee recommendation being:

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

## **SECOND READING OF HOUSE BILLS**

H.F. No. 181 was read the second time.

## **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that House Concurrent Resolution No. 5 be laid on the table. The motion prevailed.

Mr. Davis moved that H.F. No. 1070 be withdrawn from the Committee on Agriculture and Rural Development and re-referred to the Committee on Finance. The motion prevailed.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

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

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

Mr. Morse, Mrs. Benson, J.E.; Messrs. Merriam, Lessard and Dahl introduced—

S.F. No. 1554: A bill for an act relating to recreational vehicles; regulating registration and operation of off-road vehicles; setting fees and penalties; requiring comprehensive recreational use plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 1555: A bill for an act relating to alcoholic beverages; limiting the number of temporary on-sale licenses that may be issued to a club or organization; amending Minnesota Statutes 1990, sections 340A.403, subdivision 2; and 340A.404, subdivision 10.

Referred to the Committee on Commerce.

Messrs. Finn and Stumpf introduced—

S.F. No. 1556: A bill for an act relating to appropriations; appropriating money for tourist facilities at Bemidji.

Referred to the Committee on Finance.

Mr. Morse introduced—

S.F. No. 1557: A bill for an act relating to rules; requiring health and human services rules to include in rulemaking notices information on the department division and staff administering the rules; amending Minnesota Statutes 1990, section 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

## 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. 53: Messrs. Langseth, DeCramer, Beckman, Mehrkens and Metzen.

H.F. No. 719: Messrs. Samuelson, Renneke, Spear, Ms. Berglin and Mr. Solon.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Messrs. Berg and Samuelson were excused from the Session of today. Mr. Neville was excused from the Session of today at 3:00 p.m. Mr. Novak was excused from the Session of today at 3:40 p.m. Mr. Halberg was excused from the Session of today at 4:30 p.m. Mr. Kroening was excused from the Session of today from 12:30 to 1:05 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Wednesday, May 8, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FORTY-NINTH DAY

St. Paul, Minnesota, Wednesday, May 8, 1991

The Senate met at 12:30 p.m. and was called to order by the President.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 p.m. The motion prevailed.

The hour of 1:30 p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. David L. Valen.

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.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Flynn	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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 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. 286, 368, 550 and 732.

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 Files, herewith returned: S.F. Nos. 515, 885 and 226.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 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. 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.

Senate File No. 635 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1991

Mr. Moe, R.D. moved that S.F. No. 635 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 958: A bill for an act relating to state lands; authorizing sale of tax-forfeited lands and an easement in St. Louis county.

Senate File No. 958 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1991

Mr. Moe, R.D. moved that S.F. No. 958 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1991

Mr. Price moved that the Senate do not concur in the amendments by the House to S.F. No. 800, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 231 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1991

### CONCURRENCE AND REPASSAGE

Mr. Kelly moved that the Senate concur in the amendments by the House to S.F. No. 231 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 231 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1422:

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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Rukavina; Sarna; Winter; Anderson, R. and Beard have been appointed as such committee on the part of the House.

House File No. 1422 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1991

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1422, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House Concurrent Resolution No. 1:

House Concurrent Resolution No. 1: A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rodosovich, Knickerbocker and Jefferson have been appointed as such committee on the part of the House.

House Concurrent Resolution No. 1 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1991

Mr. Moe, R.D. moved that the Senate accede to the request of the House for a Conference Committee on House Concurrent Resolution No. 1, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House Concurrent Resolution No. 2:

House Concurrent Resolution No. 2: A House concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rodosovich, Knickerbocker and Jefferson have been appointed as such committee on the part of the House.

House Concurrent Resolution No. 2 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1991

Mr. Moe, R.D. moved that the Senate accede to the request of the House for a Conference Committee on House Concurrent Resolution No. 2, 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. 1013, 1125, 564, 1127, 1592, 378, 289, 767, 1050 and 1326.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1991



**FIRST READING OF HOUSE BILLS**

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

H.F. No. 1013: 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.

H.F. No. 1125: 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 Rules and Administration for comparison with S.F. No. 893, now on General Orders.

H.F. No. 564: A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 325F.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 709, now on General Orders.

H.F. No. 1127: 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 Rules and Administration for comparison with S.F. No. 1432, now on General Orders.

H.F. No. 1592: 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 Rules and Administration for comparison with S.F. No. 1419, now on the Calendar.

H.F. No. 378: A bill for an act relating to state lands; authorizing exchange of real property.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 306, now on the Calendar.

H.F. No. 289: 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 Rules and Administration for comparison with S.F. No. 1117, now on General Orders.

H.F. No. 767: 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.

H.F. No. 1050: A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1008, now on General Orders.

H.F. No. 1326: A bill for an act relating to economic development; providing a preference for outdoor recreation grants; stating the legislative intent that this act is not intended to alter the existing divisions of grants; amending Minnesota Statutes 1990, section 116J.980, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1204, now on the Calendar.

### REPORTS OF COMMITTEES

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

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

S.F. No. 511: A bill for an act relating to natural resources; expanding the coverage and purposes of the watercraft surcharge; placing the surcharge in a dedicated account; providing for informational materials; amending Minnesota Statutes 1990, sections 86B.415, subdivisions 7 and 9; and 103G.617, subdivision 3.

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

Page 1, line 12, strike "6" and insert "3 and 5" and reinstate the stricken comma

Page 1, delete section 2

Page 2, delete lines 16 and 17 and insert:

*"Section 1 is effective January 1, 1993. Section 3 is effective the day following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 4, delete "placing the surcharge in a dedicated account;"

Page 1, line 6, delete "subdivisions 7 and 9" and insert "subdivision 7"

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. 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:

Delete everything after the enacting clause and insert:

“Section 1. [ST. CLOUD BUSINESS EDUCATION BUILDING.]

*\$465,000 is appropriated from the general fund to the state university board to construct an addition to the business education building at St. Cloud State University. The state university board shall repay this amount to the general fund in installments of \$100,000 each year in fiscal years 1992 to 1996.”*

Amend the title as follows:

Page 1, line 2, delete “allowing nonstate funds” and insert “appropriating money”

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

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

S.F. No. 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 be amended as follows:

Page 1, line 22, delete “\$300,000,000” and insert “\$250,000,000”

Page 1, after line 22, 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.

## SECOND READING OF SENATE BILLS

S.F. Nos. 511, 836 and 1087 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 100. The motion prevailed.

Mr. Frederickson, D.R. moved that the name of Mr. Beckman be added as a co-author to S.F. No. 940. The motion prevailed.

Mr. Laidig moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1155. The motion prevailed.

## CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1086 at 1:30 p.m.:

Messrs. Johnson, D.J.; Frederickson, D.J.; Pogemiller; Price and Ms. Reichgott. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 2:00 p.m.:

Messrs. Davis; Laidig; Frederickson, D.R.; Merriam and Morse. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 156 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 156: 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.

Mr. Spear moved to amend S.F. No. 156 as follows:

Page 7, line 1, delete "July" and insert "January"

Page 7, line 5, strike "1991" and insert "1992" and after "second" strike the comma

Page 7, line 6, delete "third," and strike "fourth," and delete "sixth," and strike the second "and"

Page 7, line 7, reinstate the stricken "third" and delete "fifth, seventh, ninth" and insert "fourth"

Page 7, line 8, before the period, insert "; (3) in 1994, the fifth and ninth districts; and (4) in 1995, the sixth and seventh districts"

The motion prevailed. So the amendment was adopted.

S.F. No. 156 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1064, 1300, 811 and H.F. Nos. 594, 934, 922, 1475, 1549, which the committee recommends to pass.

S.F. No. 440, which the committee recommends to pass with the following amendment offered by Mr. Marty:

Page 1, after line 5, 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~~ *two* plan enrollee directors elected as provided in section 3; and ~~four~~ 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.] *One of the public directors*

*of the board must be a medical care provider. Three of the public directors must not be members 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."*

Page 1, after line 22, insert:

"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."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 693, which the committee recommends to pass with the following amendments offered by Ms. Ranum, Messrs. Merriam, Marty and Knaak:

Ms. Ranum moved to amend H.F. No. 693, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 802.)

Page 15, after line 20, insert:

"Sec. 17. Minnesota Statutes 1990, section 595.024, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION; APPEAL.] The district court shall consider the nature of the proceedings, the merits of the claims and defenses, the adequacies of alternative remedies, the relevancy of the information sought, and the possibility of establishing by other means that which the source is expected or may tend to prove. The court shall make its appropriate order after making findings of fact. The order may be appealed directly to the court of appeals according to the rules of appellate procedure. The order is stayed and nondisclosure shall remain in full force and effect during the pendency of the appeal. *Where the court finds that the information sought has been published or broadcast, there shall be no automatic stay unless an appeal is filed within two days after the order is issued. Either party may request expedited consideration."*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 22, after the semicolon, insert "modifying provisions dealing with disclosure of media sources;"

Page 1, line 29, after the semicolon, insert "595.024, subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 693, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 802.)

Page 2, line 9, delete everything after "*statute*"

Page 2, line 10, delete everything before the fourth comma

Page 2, line 14, delete everything after the period

Page 2, delete lines 15 to 17

Page 16, after line 35, insert:

“Sec. 19. [IMMUNITY FROM LIABILITY.]

*No cause of action may arise as a result of the release of data contained in a termination or personnel settlement agreement if the data were not public data as defined in Minnesota Statutes, section 13.02, at the time the agreement was executed but become public data under a law enacted after execution.”*

Page 17, line 1, delete “Section 2 is” and insert “Sections 2 and 19 are”

Page 17, line 2, delete “applies” and insert “apply”

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 693, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 802.)

Page 4, after line 21, insert:

“Sec. 6. Minnesota Statutes 1990, section 13.69, is amended by adding a subdivision to read:

*Subd. 3. [COMMERCIAL LISTS.] The department of public safety may not release lists of data on individuals contained in driver's license or motor vehicle registration records if the data will be used for commercial purposes as part of a mailing list or telephone solicitation. This subdivision does not apply to the release of data to a motor vehicle manufacturer or the manufacturer's designee for the purpose of notifying purchasers of a motor vehicle recall.”*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 22, after the semicolon, insert “prohibiting the release of lists of driver's license or motor vehicle data for commercial purposes;”

Page 1, line 24, before “13.82” insert “13.69, by adding a subdivision;”

Mr. Knaak moved to amend the Marty amendment to H.F. No. 693 as follows:

Page 1, after line 16, insert:

“Page 17, line 3, after the period, insert “Section 6 is effective July 1, 1992.””

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Marty amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Knaak then moved to amend H.F. No. 693, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 802.)

Page 15, after line 20, insert:



"Sec. 17. Minnesota Statutes 1990, section 471.705, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise expressly provided by statute, all meetings, including executive sessions, of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district however organized, unorganized territory, county, city, town, or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public, except meetings of ~~the board of pardons and the commissioner of corrections.~~ The votes of the members of such state agency, board, commission or department or of such governing body, committee, subcommittee, board, department or commission on any action taken in a meeting herein required to be open to the public shall be recorded in a journal kept for that purpose, which journal shall be open to the public during all normal business hours where such records are kept. The vote of each member shall be recorded on each appropriation of money, except for payments of judgments, claims and amounts fixed by statute. This section shall not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary proceedings."

Page 16, after line 35, insert:

"Sec. 20. Minnesota Statutes 1990, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy thereof with the district court of the county in which the conviction occurred, ~~whereupon and~~ the court shall order the conviction set aside and ~~all records pertinent to the conviction sealed. These records shall only be reopened in the case of a criminal judicial proceeding thereafter instituted~~ include a copy of the pardon in the court file.

Sec. 21. Minnesota Statutes 1990, section 638.04, is amended to read:  
638.04 [MEETINGS.]

The board of pardons shall hold meetings at least twice each year *and shall hold a meeting whenever it takes formal action on an application for a pardon or commutation of sentence. All board meetings shall be open to the public as provided in section 471.705.*

*The victim of an applicant's crime has a right to submit an oral or written statement at the meeting. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the application for a pardon or commutation should be granted or denied. In addition, any law enforcement agency may submit an oral or written statement at the meeting, giving its recommendation on whether the application should be granted or denied. The board must consider the victim's and the law enforcement agency's statement when making its decision on the application.*

Sec. 22. Minnesota Statutes 1990, section 638.05, is amended to read:  
638.05 [APPLICATION FOR PARDON.]

Every application for a pardon or commutation of sentence shall be in writing, addressed to the board of pardons, signed by the convict or some one in the convict's behalf, shall state concisely the grounds upon which the pardon or commutation is sought, and in addition shall contain the

following facts:

(1) The name under which the convict was indicted, and every alias by which known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the same is substantially correct; if such statement and endorsement are not furnished, the reason thereof shall be stated;

(5) The age, birthplace, parentage, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

*Every application for a pardon or commutation of sentence shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the pardon or commutation is sought.*

Sec. 23. Minnesota Statutes 1990, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every such application shall be filed with the clerk of the board of pardons. If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed thereon. The clerk shall, immediately on receipt of any application, mail notice thereof, and of the time and place of hearing thereon, to the judge of the court wherein the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office; ~~provided, pardons or commutations of sentence of persons committed to a county jail or workhouse may be granted by the board without notice.~~ *The clerk shall also make all reasonable efforts to locate any victim of the applicant's crime. The clerk shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04."*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 22, after the semicolon, insert "modifying practices and procedures of the board of pardons;"

Page 1, line 29, delete the first "and" and insert "471.705, subdivision 1;"

Page 1, line 30, after the semicolon, insert "638.02, subdivision 3; 638.04; 638.05; and 638.06;"

The motion prevailed. So the amendment was adopted.

H.F. No. 815, which the committee recommends to pass with the following amendment offered by Ms. Ranum:

Amend H.F. No. 815, the unofficial engrossment, as follows:

Page 4, line 11, delete "8" and insert "7"

Page 4, line 12, after the period, insert "*Section 8 is effective retroactively to May 1, 1991.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1551, which the committee recommends to pass, after the following motion:

Mr. Gustafson moved to amend H.F. No. 1551 as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### SCOPE OF COVERAGE/LIABILITY

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] "Family farm" means any farm operation which (1) pays or is obligated to pay less than ~~\$8,000~~ \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to \$300,000 and \$5,000, respectively, under a farm liability insurance policy. For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 1990, section 176.041, subdivision 1a, is amended to read:

Subd. 1a. [ELECTION OF COVERAGE.] The persons, partnerships and corporations described in this subdivision may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c), may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation that receives the services of a

*voluntary uncompensated worker who is not required to be covered under this chapter may elect to provide coverage for that worker.*

(f) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor. A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage, the name of the independent contractors, and the fee and how it is calculated.

The persons, partnerships, and corporations described in this subdivision may also elect coverage for an employee who is a spouse, parent, or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this subdivision. Coverage may be elected for a spouse, parent, or child whether or not coverage is elected for the related owner, partner, or executive director and whether or not the person, partnership, or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this subdivision shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this subdivision shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this subdivision. An election of coverage under this subdivision shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this subdivision shall be construed to limit the responsibilities of owners, partnerships, or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 3. Minnesota Statutes 1990, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 4. Minnesota Statutes 1990, section 176.215, is amended by adding a subdivision to read:

*Subd. 1a. [EXCLUSIVE REMEDY.] The liability of a general contractor,*

*intermediate contractor, or subcontractor who pays compensation pursuant to subdivision 1, to an injured individual who is not an employee of the general contractor, intermediate contractor, or subcontractor is exclusive and in the place of any other liability to the individual, the individual's personal representative, surviving spouse, parent, any child, dependent, next of kin, or other person entitled to recover damages on account of the individual's injury or death.*

Sec. 5. [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1992. Sections 2 to 4 are effective the day following final enactment.*

## ARTICLE 2

### COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage. *Holiday pay and vacation pay shall not be included in the calculation of daily wage.*

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided

that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. *Holiday pay and vacation pay shall not be included in the calculation of weekly wage.* The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66 2/3~~ 80 percent of the ~~product of the daily wage times the number of days normally worked~~ *employee's after-tax weekly wage*, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 1990, section 176.011, is amended by adding a subdivision to read:

*Subd. 18a. [AFTER-TAX WEEKLY WAGE.] "After-tax weekly wage" means the weekly wage reduced by the amounts required to be withheld by the Federal Insurance Contributions Act, United States Code, title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents and without additional allowances. The after-tax weekly wage must be determined as of the date of injury, and changes in dependents after that date may not be considered.*

Sec. 4. Minnesota Statutes 1990, section 176.021, subdivision 3, is amended to read:

*Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101, subdivision 3. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of economic recovery compensation or lump sum or periodic payment of impairment permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial*

disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.~~

~~The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee or in the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained, provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.~~

~~Disability ratings for permanent partial disability shall be based on objective medical evidence. The right is not abrogated by the employee's death prior to the making of the payment.~~

Sec. 5. Minnesota Statutes 1990, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an injury

producing temporary total disability, the compensation is ~~66-2/3~~ 80 percent of the after-tax weekly wage at the time of injury.

~~(1) provided that~~ (b) During the year commencing on October 1, 1979 1991, and each year thereafter, commencing on October 1, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

~~(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 payable is 20~~ percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

Subject to subdivisions 3a to 3u this (d) Temporary total compensation shall be paid during the period of disability; ~~payment to be made at the intervals when the wage was payable, as nearly as may be, and shall cease whenever any one of the following occurs:~~

(1) the disability ends;

(2) the employee returns to work;

(3) the employee retires by withdrawing from the labor market;

(4) the employee fails to diligently search for appropriate work;

(5) the employee refuses an offer of work that is consistent with a plan of rehabilitation filed with the commissioner which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, the employee refuses an offer of work that the employee can do in the employee's physical condition; or

(6) 90 days pass after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b).

(e) For purposes of this subdivision, the 90-day period after maximum medical improvement commences on the earlier of:

(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or

(2) the date that the employer or insurer serves the report on the employee and the employee's attorney, if any, and files a copy with the division.

(f) Once temporary total disability compensation has ceased under paragraph (d), clause (1), (2), (3), or (4), it may be recommenced prior to 90 days after maximum medical improvement only as follows:

(1) if temporary total disability compensation ceased under paragraph (d), clause (1), it may be recommenced if the employee again becomes disabled as a result of the work-related injury;

(2) if temporary total disability compensation ceased under paragraph (d), clause (2), it may be recommenced if the employee is laid off or terminated for reasons other than misconduct or is medically unable to continue at the job;

(3) if temporary total disability compensation ceased under paragraph (d), clause (3), but the employee subsequently returned to work, it may be recommenced in accordance with paragraph (f), clause (2); or



(4) if temporary total disability compensation ceased under paragraph (d), clause (4), it may be recommenced if the employee begins diligently searching for appropriate work. Temporary total disability compensation recommenced under this paragraph is subject to cessation under paragraph (d).

Recommenced temporary total disability compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once temporary total disability compensation has ceased under paragraph (d), clauses (5) and (6), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition.~~ 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition.

(b) ~~This~~ Temporary partial compensation shall be paid during the period of disability ~~except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage.~~ when the employee is working, earning less than the employee's weekly wage at the time of the injury, and the reduction in the wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 156 weeks, including weeks in which the employee has no wage loss, or after 350 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 300 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:

Percent of Disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000

36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

*An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.*

*(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work, provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period. Permanent partial disability is not payable while temporary total compensation is being paid. Permanent partial disability is payable to permanently totally disabled employees in a lump sum at the time the disability can be ascertained.*

Sec. 9. Minnesota Statutes 1990, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation rates for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. *Permanent total disability payments shall cease at retirement.* Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though

the employee were deceased.

Sec. 10. Minnesota Statutes 1990, section 176.101, subdivision 5, is amended to read:

Subd. 5. [~~TOTAL DISABILITY DEFINITION.~~] (a) For purposes of subdivision 4, permanent total disability means only:

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or

(2) any other injury which totally and permanently incapacitates the employee from working at an occupation which brings the employee an income ~~constitutes total disability.~~

(b) For purposes of paragraph (a), clause (2), "totally and permanently incapacitated" means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.

Sec. 11. Minnesota Statutes 1990, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total ~~or a compensable permanent partial~~ disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for ~~temporary total, temporary partial, a permanent total disability or economic recovery compensation~~ shall be 105 percent of the statewide average weekly wage.

Sec. 12. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

Subd. 9. [MOVING EXPENSES.] An injured employee who has reached maximum medical improvement and who is unable to find suitable gainful employment consistent with the individual's physical disability, in combination with the individual's age, education and training, and experience, due to local labor market conditions is eligible to receive up to \$5,000 for moving expenses, provided:

(1) 90 days have passed after the individual has reached maximum medical improvement;

(2) the individual has actually moved in order to take a new job which constitutes suitable gainful employment; and

(3) the new job is located at a distance greater than 35 miles from the individual's current residence.

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the ~~commissioner~~ for additional compensation not to exceed 25

percent of the compensation otherwise payable. If the commissioner *or compensation judge* determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner *or compensation judge* may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner *or compensation judge* determines the special circumstances are no longer present.

*(b) If the employee is not working during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (5). If the employee is working during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 80 percent of the difference between the employee's after-tax weekly wage at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to either the 156-week or the 350-week limitation provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.*

*(c) Retraining may not be approved if the employee has refused suitable gainful employment, as defined by rule.*

Sec. 14. Minnesota Statutes 1990, section 176.105, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE; RULES.] *(a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence. The commissioner, in consultation with the medical services review board, shall periodically review the rules adopted under this paragraph to determine whether any injuries omitted from the schedule should be compensable and amend the rules accordingly.*

*(b) No permanent partial disability compensation shall be payable except in accordance with the disability ratings established under this subdivision. The schedule may provide that minor impairments receive a zero rating.*

Sec. 15. Minnesota Statutes 1990, section 176.105, subdivision 4, is amended to read:

Subd. 4. [LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART.] *(a) For the purpose of establishing a disability schedule pursuant to clause (b), the legislature declares its intent that the commissioner establish a disability schedule ~~which, assuming the same number and distribution of severity of injuries, the aggregate total of impairment compensation and economic recovery compensation benefits under section 176.101, subdivisions 3a to 3u be approximately equal to the total aggregate amount payable for permanent partial disabilities under section 176.101, subdivision 3; provided, however, that awards for specific injuries under the proposed schedule need not be the same as they were for the same injuries under the schedule pursuant to section 176.101, subdivision 3. The schedule shall be determined by sound actuarial evaluation and shall be based on the~~*

benefit level which exists on January 1, 1983.

(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.

The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Prior to adoption of rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;

(3) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(4) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in paragraphs (1) to (7) shall not be used in any individual or specific workers' compensation claim under this chapter but shall be used only in the adoption of rules pursuant to this section.

Nothing listed in paragraphs (1) to (7) shall be used to dispute or challenge a disability rating given to a part of the body so long as the whole schedule conforms with the expressed intent of clause (a).

(c) If an employee suffers a permanent functional disability of more than

one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.  $A + B (1-A)$  is equivalent to  $A + B - AB$ .

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 16. Minnesota Statutes 1990, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at ~~50~~ 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 17. Minnesota Statutes 1990, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child ~~60~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse weekly benefits at a *the same rate* which is ~~16-2/3~~ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

Sec. 18. Minnesota Statutes 1990, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66-2/3~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at a *the same rate* which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

Sec. 19. Minnesota Statutes 1990, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66-2/3~~ 80 percent of the *wages after-tax weekly wage*.

Sec. 20. Minnesota Statutes 1990, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee ~~leave~~ *leaves* no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on *the* deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee ~~leave~~ *leaves* one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 21. Minnesota Statutes 1990, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 22. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 23. Minnesota Statutes 1990, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 24. Minnesota Statutes 1990, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 25. Minnesota Statutes 1990, section 176.131, subdivision 8, is amended to read:

Subd. 8. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment, except that physical impairment is limited to the following:

- (a) epilepsy,
- (b) diabetes,
- (c) hemophilia,
- (d) cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) partial or entire absence of thumb, finger, hand, foot, arm, or leg,
- (f) lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) residual disability from poliomyelitis,
- (h) cerebral palsy,
- (i) multiple sclerosis,
- (j) Parkinson's disease,
- (k) cerebral vascular accident,
- (l) chronic osteomyelitis,



- (m) muscular dystrophy,
- (n) thrombophlebitis,
- (o) brain tumors,
- (p) Pott's disease,
- (q) seizures,
- (r) cancer of the bone,
- (s) leukemia,
- (t) mental retardation or other related conditions.

(u) any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

(v) any other physical impairments of a permanent nature which the commissioner may by rule prescribe.

"Compensation" has the meaning defined in section 176.011.

"Employer" includes insurer.

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

"Mental retardation" means significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior that require supervision and protection for the person's welfare or the public welfare.

"Other related conditions" means severe chronic disabilities that are (i) attributable to cerebral palsy, epilepsy, autism, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (ii) likely to continue indefinitely; and (iii) result in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living.

Sec. 26. Minnesota Statutes 1990, section 176.131, is amended by adding a subdivision to read:

*Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.*

Sec. 27. Minnesota Statutes 1990, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four

years have elapsed since the first date of the total disability, ~~except as provided by clause (b)~~, provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, and before October 1, 1987, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) *An employee who has suffered a personal injury after October 1, 1987, and is permanently totally disabled as defined in section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.*

Sec. 28. Minnesota Statutes 1990, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section subdivision 1, paragraphs (a) and (b)~~, shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. *The supplementary benefit payable under subdivision 1, paragraph (c), shall be the difference between:*

*(1) the amount the employee receives on or after October 1, 1991, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are a result of the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivors insurance benefits; and*

*(2) 50 percent of the statewide average weekly wage, as computed annually.*

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient *under subdivision 1, paragraph (a) or (b)*, is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

(f) Notwithstanding any other provision in this subdivision to the contrary, if the ~~individual~~ *eligible recipient* does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provision of United States Code, title 42, section 424a(d), the calculation of supplementary benefits payable to the individual shall be as provided under this section in Minnesota Statutes ~~1988~~ 1990.

Sec. 29. Minnesota Statutes 1990, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer currently paying total disability benefits *under subdivision 1, paragraph (a) or (b), or currently paying permanent total disability benefits under subdivision 1, paragraph (c)*, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 30. [176.178] [FRAUD.]

*Any person who, with intent to defraud, receives workers' compensation benefits to which the person is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3.*

Sec. 31. Minnesota Statutes 1990, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH RECOVERY OF OVERPAYMENTS.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying

employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of ~~economic recovery or impairment~~ *permanent partial* compensation shall not exceed 20 percent of the amount that would otherwise be payable.

*Where the commissioner or compensation judge determines that the mistaken compensation was not received in good faith, the commissioner or compensation judge may order reimbursement of the compensation or order a credit for the compensation against any future monetary benefits from the same injury. The credit may be up to 100 percent of the amount of monetary benefits otherwise payable. For purposes of this section, a payment is not received in good faith if it is obtained through fraud, or if the employee knew or should have known that the compensation was paid under mistake of fact or law, and the employee has not refunded the mistaken compensation.*

A credit may not be applied against medical expenses due or payable.

Sec. 32. Minnesota Statutes 1990, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [~~MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT PERMANENT PARTIAL COMPENSATION.~~] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment~~ *permanent partial* compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 33. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, ~~1977~~ 1991, or thereafter under this section shall exceed ~~six~~ four percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ four percent.

Sec. 34. Minnesota Statutes 1990, section 176.645, subdivision 2, is

amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ *is* deferred until the first anniversary of the date of the injury. *For injuries occurring on or after October 1, 1991, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 35. Minnesota Statutes 1990, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 36. Minnesota Statutes 1990, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which the individual is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of the individual's weekly benefit amount in the form of:

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision ~~3~~ 2; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under title II of the Social Security Act, as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would

otherwise be due under sections 268.03 to 268.231, the individual shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that the individual is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

Sec. 37. Minnesota Statutes 1990, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be coordinated with any amounts received or receivable under workers' compensation law, such as temporary total, permanent total, temporary partial, ~~or permanent partial; or economic recovery compensation~~ benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disablitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 38. [176.90] [AFTER-TAX CALCULATION.]

*For purposes of sections 176.011, subdivisions 18 and 18a; 176.101, subdivisions 1, 2, 3, and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; and 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting the weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.*

Sec. 39. [REPEALER.]

*Minnesota Statutes 1990, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.111, subdivision 8a, are repealed.*

Sec. 40. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 14, paragraph (b), is retroactively effective to January 1, 1984.*

## ARTICLE 3

## LEGAL, REHABILITATION, MEDICAL PROVIDERS/BENEFITS

Section 1. Minnesota Statutes 1990, section 175.007, is amended to read:

175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; ~~five nonvoting members representing the general public; two persons who have received or are currently receiving workers' compensation benefits under chapter 176 and the chairs of the rehabilitation review panel and the medical services review board. The council may consult with any party it desires. The commissioner shall appoint as nonvoting members three representatives of insurers, one representative of medical doctors, one representative of hospitals, two legislators from the house of representatives, and two legislators from the senate. The commissioner shall be a nonvoting member and is the chairperson.~~ The terms and removal of members shall be as provided in section 15.059. The council expires as provided in section 15.059, subdivision 5.

Subd. 2. The advisory council shall ~~study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division; advise the department in carrying out the purposes of chapter 176. The council shall submit its recommendations with respect to amendments to chapter 176 to each regular session of the legislature and shall report its views upon any pending bill relating to chapter 176 to the proper legislative committee. At the request of the chairpersons of the senate and house of representatives committees that hear workers' compensation matters, the department shall schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under chapter 176.~~

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 27, is amended to read:

Subd. 27. [ADMINISTRATIVE CONFERENCE.] An "administrative conference" is a meeting conducted by a commissioner's designee where parties can discuss on an expedited basis and in an informal setting their viewpoints concerning disputed issues arising under section ~~176.102, 176.103, 176.135, 176.136, or 176.239.~~ If the parties are unable to resolve the dispute, the commissioner's designee shall issue an administrative decision under ~~that section 176.106 or 176.239.~~

Sec. 3. Minnesota Statutes 1990, section 176.081, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL.] (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent

of the next ~~\$27,500~~ \$70,000 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause (b) paragraph (d)~~. All fees must be calculated according to the formula under this subdivision or earned in hourly fees for representation at dispute resolution conferences under section 176.239. Hourly fees must be determined according to the criteria set forth under subdivision 5.

(b) Fees for legal services related to the same injury are cumulative and may not exceed \$15,000, except as provided under subdivision 2. No other attorney fees for any proceeding under this chapter are allowed.

(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under section 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

~~(b)~~ (d) An attorney who is claiming legal fees under this section for representing an employee in a workers' compensation matter shall file a statement of attorney's attorney fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 4. Minnesota Statutes 1990, section 176.081, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and, the number of hours spent on the case, the basis for the request, and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the



employee shall be served with notice of hearing.

Sec. 5. Minnesota Statutes 1990, section 176.081, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] ~~An employee who~~ *A party that* is dissatisfied with its attorney fees, may file an application for review by the workers' compensation court of appeals. ~~Such~~ *The* application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such~~ *the* application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise ~~the question~~ of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 6. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

*(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 7. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. By March 1, 1993, the commissioner shall report to the legislature on the status of the commissioner's monitoring of rehabilitation services.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an

ex officio member, and ~~two three~~ members each from who shall represent both employers; and insurers, ~~rehabilitation, and medicine,~~ one member representing chiropractors, and ~~four one~~ member representing medical doctors, ~~three~~ members representing labor, ~~two~~ members representing rehabilitation vendors, and ~~five~~ members representing qualified rehabilitation consultants. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 9. Minnesota Statutes 1990, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.

Sec. 10. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the

hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within 14 days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for

return to work, shall be submitted to the commissioner *within 15 days after the plan has been developed.*

~~(b)~~ (f) If the employer does not provide rehabilitation consultation, *or the employee does not select a qualified rehabilitation consultant, as required by this section provided in paragraph (a),* the commissioner or compensation judge shall notify the employer that if the employer fails to ~~appoint~~ *provide, or the employee fails to select, whichever is applicable,* a qualified rehabilitation consultant ~~or other persons as permitted by clause (a)~~ within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(e) (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

~~(d)~~ (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 11. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. *A plan that is not completed within six months or after \$3,000 has been paid in rehabilitation benefits must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 12. Minnesota Statutes 1990, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer, employer, or employee.

*(b) If a rehabilitation plan has not already been filed under subdivision 4, an employer shall report to the commissioner after 90 days and before 120 days from the date of the injury, as to what rehabilitation consultation and services have been provided to the injured employee or why rehabilitation consultation and services have not been provided.*

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel and custodial day care during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) Any other expense agreed to be paid.

*Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services shall be made until the charges are submitted on the prescribed form.*

#### Sec. 14. [176.107] [MEDICAL AND REHABILITATION DISPUTES.]

*Any dispute for benefits under section 176.102, 176.103, 176.135, or 176.136 may be referred to the mediation services section of the department for consideration. All health care providers, qualified rehabilitation consultants, intervenors or potential intervenors, or any other third parties who have or may have an interest in the resolution of the dispute must be notified of the proceeding and requested to be in attendance. Any agreement by the parties who attend the hearing or appear by telephone conference is binding on any other party who had notice and did not participate in the hearing.*

Sec. 15. Minnesota Statutes 1990, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, ~~chiropractic~~, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~This treatment shall include treatments necessary to physical rehabilitation.~~ An employer may fulfill its obligation under this section by utilizing a certified managed care plan as provided in this chapter.

(b) The employer shall furnish reasonably required chiropractic treatment for a maximum of 30 days from the date the employee first seeks the treatment, or 15 chiropractic treatment visits, whichever occurs first. The employer shall furnish reasonably required physical therapy treatment for a maximum of 30 days from the date the employee first seeks the treatment. Chiropractic or physical therapy treatment is compensable thereafter only with the consent

*of the employer or insurer, or after a specific determination by the commissioner or a compensation judge, pursuant to paragraph (f), that treatment for an additional specified period of time is reasonably required. This paragraph is effective for treatment provided after July 1, 1992.*

*(c) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.*

*(d) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.*

*(e) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to ~~do so~~ provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.*

~~(b) (f) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and section 176.305 and to issue orders approving mediated settlements in accordance with section 176.107.~~

Sec. 16. Minnesota Statutes 1990, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. [NONEMERGENCY SURGERY; SECOND SURGICAL OPINION.] The employer is required to furnish surgical treatment pursuant to subdivision 1 when the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. An employee may not be compelled to undergo surgery. If an employee desires a second opinion on the necessity of the surgery, the employer shall pay the costs of obtaining the second opinion. Except in cases of emergency surgery, the employer or insurer may require the employee to obtain a second opinion on the necessity of the surgery, at the expense of the employer, before the employee undergoes surgery. Failure to obtain a second surgical opinion, *if required by the employer or insurer*, shall not be reason for nonpayment of the charges for the surgery- ~~The employer is required to pay the reasonable value of the surgery~~, unless the commissioner or compensation judge determines that the surgery is not reasonably required.

Sec. 17. Minnesota Statutes 1990, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even

if the employee is not disabled from earning full wages at the work at which the employee was last employed.

*Payment of compensation under this section shall be made by the employer and insurer on the date of the employee's last exposure to the hazard of the occupational disease. Reimbursement for medical benefits paid under this subdivision or subdivision 1a is allowed from the employer and insurer liable under section 176.66, subdivision 10, only in the case of disablement.*

Sec. 18. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, ~~or deny all or a part of the charge on the basis of excessiveness or noncompensability, or specify the additional data needed;~~ with written notification to the employee and the provider, ~~explaining the basis for denial.~~ *All or part of a charge must be denied if any of the following conditions exist:*

- (1) the injury or condition is not compensable under this chapter;*
- (2) the charge or service is excessive under this section or section 176.136;*
- (3) the provider is not enrolled with or certified by the department in accordance with rules adopted under section 176.183;*
- (4) the charges are not submitted on the prescribed billing form; or*
- (5) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.*

*If payment is denied under clause (3), (4), or (5), the employer or insurer shall reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.*

Sec. 19. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges *on a billing form prescribed by the commissioner.* Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury, ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6.~~ Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by ~~emergency rules rule.~~

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 20. [176.135] [MANAGED CARE.]

*Subdivision 1. [APPLICATION.] Any health care provider, health care*

*providers, or business entities providing health care services may make written application to the commissioner to become certified to provide managed care to injured workers for injuries and diseases compensable under this chapter. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. Application for certification shall be made in the form and manner and shall set forth information regarding the proposed plan for providing services as the commissioner may prescribe. The information shall include, but not be limited to:*

*(a) a list of the names of all health care providers who will provide services under the managed care plan, together with appropriate evidence of compliance with any licensing or certification requirements for those providers to practice in this state;*

*(b) a description of the places and manner of providing services under the plan;*

*(c) a description of the places and manner of providing other related optional services the applicants wish to provide; and*

*(d) satisfactory evidence of ability to comply with any financial requirements to ensure delivery of service in accordance with the plan which the commissioner may prescribe.*

*Subd. 2. [CERTIFICATION.] The commissioner shall certify a health care provider, health care providers, or business entities providing health care services to provide managed care under a plan if the commissioner finds that the plan:*

*(a) proposes to provide services that meet quality, continuity, and other treatment standards prescribed by the commissioner and will provide all medical and health care services that may be required by this chapter in a manner that is timely, effective, and convenient for the worker;*

*(b) provides appropriate financial incentives to reduce service costs and utilization without sacrificing the quality of service;*

*(c) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate or not medically necessary treatment, to exclude from participation in the plan those individuals who violate these treatment standards, and to provide for the resolution of such medical disputes as the commissioner considers appropriate;*

*(d) provides a program for early return to work for injured workers involving, where appropriate, cooperative efforts by the workers, the employer, and the managed care organizations to promote workplace health and safety consultative and other services;*

*(e) provides a timely and accurate method of reporting to the commissioner necessary information regarding medical and health care service cost and utilization to enable the commissioner to determine the effectiveness of the plan;*

*(f) authorizes workers to receive compensable medical treatment from a health care provider who is not a member of the managed care organization, but who maintains the worker's medical records and with whom the worker has a documented history of treatment, if that health care provider agrees to refer the worker to the managed care organization for any specialized*



*treatment, including physical therapy, to be furnished by another provider that the worker may require and if that health care provider agrees to comply with all the rules, terms, and conditions regarding services performed by the managed care organization. Nothing in this paragraph is intended to limit the worker's right to change health care providers prior to the filing of a workers' compensation claim; and*

*(g) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.*

*Subd. 3. [REVOCAION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of any health care provider or group of medical service providers to provide managed care if the commissioner finds that the plan for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.*

*Subd. 4. [REVIEW.] (a) Utilization review, quality assurance, and peer review activities pursuant to this section and authorization of medical services to be provided by other than an attending physician pursuant to this chapter shall be subject to review by the commissioner or the commissioner's designated representatives. Data generated by or received in connection with these activities, including written reports, notes or records of any such activities, or of the commissioner's review shall be confidential, and shall not be disclosed except as considered necessary by the commissioner in the administration of this section. The commissioner may report professional misconduct to an appropriate licensing board.*

*(b) No data generated by utilization review, quality assurance, or peer review activities pursuant to this section or the commissioner's review thereof shall be used in any action, suit, or proceeding except to the extent considered necessary by the commissioner in the administration of this chapter.*

*(c) A person participating in utilization review, quality assurance, or peer review activities pursuant to this section shall not be examined as to any communication made in the course of such activities or the findings thereof, nor shall any person be subject to an action for civil damages for affirmative actions taken or statements made in good faith.*

*(d) No person who participates in forming managed care plans, collectively negotiating fees, or otherwise solicits or enters into contracts in a good faith effort to provide medical or health care services according to the provisions of this section shall be examined or subject to administrative or civil liability regarding any such participation except pursuant to the commissioner's active supervision of such activities and the managed care organization. Before engaging in such activities, the person shall provide notice of intent to the commissioner on a prescribed form.*

*(e) The provisions of this section shall not affect the confidentiality or admission in evidence of a claimant's medical treatment records.*

*Subd. 5. [RULES.] The commissioner in cooperation with the commissioners of the department of health, department of commerce, and department of human services, shall adopt such rules as may be necessary to carry out the provisions of this section.*

Sec. 21. Minnesota Statutes 1990, section 176.136, subdivision 1, is

amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.

(b) The procedures established by the commissioner ~~shall~~ *must* limit, in accordance with subdivisions 1a and 1b, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive ~~shall~~ *must* be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures ~~shall~~ *must* incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 22. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1990, shall remain in effect until the commissioner adopts a new schedule by permanent rule, but shall remain in effect no later than June 1, 1993. The commissioner shall adopt permanent rules regulating fees, except fees limited by subdivision 1b, by implementing a relative value fee schedule to be effective on October 1, 1992, or as soon thereafter as possible. The conversion factors for the relative value fee schedule shall reasonably reflect a 15 percent overall reduction from 1991 charges, based on a sample of the most common services billed in the first six months of 1991 that is large enough to be statistically valid.*

*After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1, by the percentage change in the statewide average weekly wage as set forth in section 176.645, subdivision 1. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.*

Sec. 23. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a hospital or an outpatient at a same-day surgical facility or emergency room shall be limited to 85 percent of the amount charged.*

*(b) For the services rendered under paragraph (a) by a hospital with 100 or fewer licensed acute care beds, the liability of employers shall be the*

*actual hospital charges.*

*(c) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or paragraph (a) shall be limited to the provider's actual charge, or the charges that prevail in the same community for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount.*

Sec. 24. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVE FEES.] If the employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, compensation judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.

*A charge for a health service or medical service is excessive if it:*

*(1) exceeds the maximum permissible charge pursuant to subdivision 1 or section 176.135, subdivision 1a;*

*(2) is for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;*

*(3) is for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or*

*(4) is otherwise deemed excessive or inappropriate pursuant to rules adopted pursuant to this chapter.*

*Where the sole issue in dispute is whether medical fees are excessive, the only parties to the proceeding shall be the health care provider and employer or insurer. The rights of an employee shall not be affected by a determination under this subdivision.*

Sec. 25. Minnesota Statutes 1990, section 176.305, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS ON PETITIONS.] The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner shall, within ten days, refer the matter presented by the petition for a settlement conference under this section, for an administrative mediation conference under section ~~176.106~~ 176.107, or for hearing to the office.

Sec. 26. Minnesota Statutes 1990, section 176.351, subdivision 2a, is amended to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative, *mediation*, or settlement conference, or hearing under section ~~176.106~~ 176.107 or 176.239, shall not be subpoenaed to testify regarding the conference, hearing, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

In addition, for a hearing with a compensation judge and with the consent of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.

Sec. 27. Minnesota Statutes 1990, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before the commissioner and shall provide a stenographer or an audio magnetic recording device to make the record of the proceedings.

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision. This subdivision does not apply to any administrative conference or other proceeding before the commissioner which may be heard de novo in another proceeding including but not limited to proceedings under section ~~176.106~~ 176.107 or 176.239.

Sec. 28. Minnesota Statutes 1990, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER.]

Except for a commissioner's decision which may be heard de novo in another proceeding including but not limited to a decision from an administrative conference under section ~~176.102~~, ~~176.103~~, ~~176.106~~, 176.239, or a summary decision under section 176.305, any decision or determination

of the commissioner affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 29. Minnesota Statutes 1990, section 176.82, is amended to read:

**176.82 [ACTION FOR CIVIL DAMAGES FOR OBSTRUCTING EMPLOYEE SEEKING BENEFITS.]**

*Subdivision 1. [GENERALLY.] Any person discharging or threatening to discharge an employee for seeking workers' compensation benefits or in any manner intentionally obstructing an employee seeking workers' compensation benefits is liable in a civil action for damages incurred by the employee including any diminution in workers' compensation benefits caused by a violation of this section including costs and reasonable attorney fees, and for punitive damages not to exceed three times the amount of any compensation benefit to which the employee is entitled. Damages awarded under this section shall not be offset by any workers' compensation benefits to which the employee is entitled.*

*Subd. 2. [REFUSAL TO REHIRE.] Any employer who without reasonable cause refuses to rehire an employee who is injured in the course of employment, where suitable employment is available within the employee's physical and mental limitations, upon order of the department and in addition to other benefits, has exclusive liability to pay to the employee the wages lost during the period of the refusal, not exceeding six months wages or a maximum of \$15,000. In determining the availability of suitable employment, the continuance in business of the employer shall be considered and any written rules promulgated by the employer with respect to seniority or the provisions of any collective bargaining agreement with respect to seniority shall govern.*

Sec. 30. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

**Subd. 5. [EXCESSIVE MEDICAL SERVICES.]** In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group

self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing certifying body.

~~The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.~~

Sec. 31. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

*Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this section and chapter 176.*

Sec. 32. Minnesota Statutes 1990, section 176.83, subdivision 6, is amended to read:

*Subd. 6. [CERTIFICATION OF MEDICAL PROVIDERS.] Rules establishing procedures and standards for the certification or enrollment of physicians, chiropractors, osteopaths, podiatrists, and other health care providers, which may include hospitals and other business entities providing health care services, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter.*

*After the rules for provider enrollment have been promulgated, a provider must be enrolled in accordance with the rules to receive payment for services rendered under section 176.135. An unenrolled provider may not receive payment or attempt to collect from any source, including the employee, any insurer or self-insured employer, the special compensation fund, or any government program. Retroactive enrollment must be permitted pursuant to guidelines established by rule. A list of currently enrolled providers must be given to all self-insured employers and insurers. The list must be made available to others upon request.*

Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, sections 176.106; 176.135, subdivision 3; and 176.136, subdivision 5, are repealed.*

Sec. 34. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 1 is effective January 1, 1992.*

## ARTICLE 4

### COURTS/JURISDICTION

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND

COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals are the same as the salary for district judges as set under section 15A.082, subdivision 3. Salaries of compensation judges are 75 to 80 percent of the salary of district court judges. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry. *The assistant chief administrative law judge for workers' compensation at the office of administrative hearings shall be paid in conformity with the salary provisions of the managerial plan under section 43A.18, but the minimum salary shall be equal to the salary of a compensation judge.*

Sec. 2. Minnesota Statutes 1990, section 176.061, is amended by adding a subdivision to read:

*Subd. 6a. [JURISDICTION.] Notwithstanding section 573.02 or any other law to the contrary, the commissioner or compensation judge has jurisdiction to order the distribution of proceeds in accordance with subdivision 6 in all cases except where the district court has awarded a specific amount in satisfaction of the employer's subrogation interest or has specifically denied the employer's subrogation interest.*

Sec. 3. [176.2615] [SMALL CLAIMS COURT.]

*Subdivision 1. [PURPOSE.] There is established in the department of labor and industry a small claims court, to be presided over by settlement judges for the purpose of settling small claims.*

*Subd. 2. [ELIGIBILITY.] The claim is eligible for determination in the small claims court if referred by the commissioner or if all parties agree to submit to its jurisdiction; and*

*(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or*

*(2) the claim in its total amount does not equal more than \$5,000; and*

*(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.*

*Subd. 3. [TESTIMONY; EXHIBITS.] At the hearing a settlement judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.*

*Subd. 4. [APPEARANCE OF PARTIES.] A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the settlement judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.*

*Subd. 5. [EVIDENCE ADMISSIBLE.] At the hearing the settlement judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the settlement judge may receive, in the judge's discretion, evidence not otherwise admissible. The settlement judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.*

*Subd. 6. [SETTLEMENT.] A settlement judge may attempt to conciliate*

*the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.*

*Subd. 7. [DETERMINATION.] If the parties do not agree to a settlement, the settlement judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a. Any determination by a settlement judge is not res judicata with respect to any other proceeding between or among the parties under this chapter, nor may it be considered as evidence in any other proceeding.*

*Subd. 8. [COSTS.] The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.*

Sec. 4. Minnesota Statutes 1990, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

*As used in this section, the phrase "for cause" is limited to the following grounds:*

*(1) a mutual mistake of fact that was not discoverable at the time of the award;*

*(2) newly discovered evidence that was not discoverable at the time of the award;*

*(3) fraud; or*

*(4) a substantial change in medical condition since the time of the award that was clearly not anticipated and could not reasonably have been anticipated at the time of the award.*

Sec. 5. Minnesota Statutes 1990, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals~~. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 6. Minnesota Statutes 1990, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45, ~~and~~; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69;



*and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.*

Sec. 7. [TRANSFER OF JURISDICTION AND PERSONNEL.]

*The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 5, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.*

Sec. 8. [INCREASED JUDGES.]

*The number of judges on the court of appeals as of January 1, 1992, shall be increased by five.*

Sec. 9. [INSTRUCTION TO REVISOR.]

*In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."*

Sec. 10. [REAPPROPRIATION.]

*\$ . . . . . is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal years 1992 and 1993 due to the abolition of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.*

Sec. 11. [REPEALER.]

*Minnesota Statutes 1990, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.*

Sec. 12. [EFFECTIVE DATE.]

*This article is effective January 1, 1992; except that section 1 is effective July 1, 1991.*

## ARTICLE 5

### WORKERS' COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1990, section 79.095, is amended to read:  
79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ may employ the services of a casualty ~~actuary~~ ~~actuaries~~ experienced in ~~worker's~~ workers' compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the~~ an actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN; PARTICIPATION.] ~~(4) An assigned risk plan review board is created for the purposes of review of the operation of section 79.252 and this section. The state fund mutual insurance company and all insurers authorized to write workers' compensation and employers' liability insurance in this state shall participate in a plan providing for the equitable apportionment of insurance coverage to employers who have been rejected for insurance coverage by a licensed insurer in the manner set forth in section 79.252.~~

*Subd. 1a.* [BOARD OF GOVERNORS.] (1) *The operation of the assigned risk plan is subject to the supervision of the board of governors of the plan. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.*

(2) *The board shall consist of six members to be appointed by the commissioner of commerce. ~~Three members shall be insureds holding policies or contracts~~ One member shall be an insured holding a policy or contract of coverage issued pursuant to subdivision 4. ~~Two~~ Five members shall be insurers pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). The commissioner shall be the sixth member and shall vote.*

*Initial appointments to the board shall be made by ~~September~~ January 1, 1984 1992, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members ~~other than the commissioner~~ shall be as provided in section 15.059.*

(3) *The ~~assigned risk plan review~~ board shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.*

(4) *The ~~assigned risk plan review~~ board shall ~~monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections~~ prepare a plan of operation for the assigned risk plan subject to the approval of the commissioner. The policy forms, rates, merit rating, rating plans, and classification and rating systems of the assigned risk plan shall be those filed for use by the Minnesota workers' compensation insurers rating association, and approved by the commissioner, subject to the requirements of this chapter.*

*The board shall meet quarterly, or more frequently if necessary, to review plan enrollment, plan administration, rate adequacy, loss ratios, and reserving practices. No later than June 30 of each year, the board shall file an annual report with the legislature and the workers' compensation insurers association. The report must be signed by each member of the board. The report must include an actuarial evaluation of the plan by a fellow of the casualty actuarial society who shall be retained and paid by the board.*

(5) *All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a ~~.25~~ percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board. Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.*

~~(6)~~ *The assigned risk plan and the assigned risk plan review board of governors shall not be deemed a state agency.*

Sec. 3. Minnesota Statutes 1990, section 79.251, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The *board of governors, subject to approval by the commissioner of commerce, shall develop an appropriate merit rating plan which shall be applicable to all nonexperience rated insureds holding policies or contracts of coverage issued pursuant to subdivision 4, and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall must provide a maximum merit credit or debit adjustment equal to ten percent of earned premium. The actual adjustment may vary with insured's loss experience.*

Sec. 4. Minnesota Statutes 1990, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] ~~Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. (a) The commissioner board of governors shall annually, not later than January 1 of each year, establish the file with the commissioner a schedule of rates applicable to for use in determining premiums charged employers in the assigned risk plan business at least 30 days prior to their effective date. Assigned risk premiums shall rates must not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.~~

*(b) The rates filed by the board shall be deemed to meet the requirements of this chapter unless disapproved by the commissioner within 30 days after the filing is made. In disapproving a filing made pursuant to this section, the commissioner shall have the same authority, and follow the same procedure, as in disapproving a filing pursuant to section 79.58.*

*(c) The board shall fix the compensation received by the agent of record. Agent compensation shall be established at a level that is neither an incentive nor a disincentive to place an employer in the assigned risk plan. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Sec. 5. Minnesota Statutes 1990, section 79.251, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] ~~The commissioner board of governors shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.~~

*Each insurer or self-insured administrator who performs services pursuant to this subdivision shall be required to report loss experience data to the Minnesota workers' compensation insurers association in accordance*

*with the statistical plan and rules of the organization as approved by the commissioner, and shall keep a record of the premium and losses paid under each workers' compensation policy written in Minnesota in the form required by the commissioner.*

Sec. 6. Minnesota Statutes 1990, section 79.251, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENTS.] ~~The commissioner shall assess~~ All insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), *shall be assessed* an amount sufficient to fully fund the obligations of the assigned risk plan, ~~if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations~~ *annual report of the board of governors reveals a deficit in the plan. The assessment must be made within 30 days of the date the annual report of the board is filed.* The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Sec. 7. Minnesota Statutes 1990, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a *two nonaffiliated* licensed insurance ~~company~~ *companies*, pursuant to subdivision 2. *One of these two rejections must come from the insurance company that most recently provided workers' compensation coverage to the employer, unless the employer had no previous coverage. Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.*

Sec. 8. Minnesota Statutes 1990, section 79.252, subdivision 3, is amended to read:

Subd. 3. [COVERAGE.] (a) Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

(b) *Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The board of governors may apply for and obtain any licensure required in any other state to issue that coverage.*

Sec. 9. Minnesota Statutes 1990, section 79.252, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may adopt rules, including ~~emergency~~ *temporary* rules, as may be necessary to implement section 79.251 and this section.

Sec. 10. Minnesota Statutes 1990, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive~~

~~market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 11. Minnesota Statutes 1990, section 79.56, is amended by adding a subdivision to read:

*Subd. 5. [RATE REGULATION.] (a) Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected under it must be refunded. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4, 176.111, 176.132, and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.*

*(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.*

*(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.*

Sec. 12. [79.565] [PARTICIPATION.]

*An employer, or person representing a group of employers, that will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 79.56, subdivision 5, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.*

Sec. 13. Minnesota Statutes 1990, section 79.58, subdivision 2, is amended to read:

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing *conducted pursuant to chapter 14*, the commissioner finds that it is *excessive, inadequate, or unfairly discriminatory. The rating plan is effective until disapproved. It is the responsibility of the data service organization to show that the rating plan is not excessive, inadequate, or unfairly discriminatory.* Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 14. Minnesota Statutes 1990, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable

cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; ~~and~~

(h) Assess its members for operating expenses on a fair and equitable basis;

(i) *Separate the incurred but unreported losses of its members;*

(j) *Separate paid and outstanding losses of its members;*

(k) *Provide information indicating cases in which its members have established a reserve in excess of \$50,000;*

(l) *File information based solely on Minnesota data concerning its members' premium income, indemnity, and medical benefits paid.*

Sec. 15. [79.65] [DATA SERVICE ORGANIZATIONS; COVERAGE.]

*Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the department of commerce or labor and industry or other parties retained by the commissioner. An examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.*

*Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. If no order is issued, a sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.*

Sec. 16. [79.70] [INVESTIGATIONS AND SUBPOENAS.]

*Subdivision 1. [GENERAL POWERS.] In connection with the administration of this chapter, 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 this chapter or any rule or order under this chapter, or to aid in the enforcement of this chapter, or in the prescribing of rules or forms under this chapter;*

(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 this chapter;*

(4) *conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in this chapter to the legislature;*

(5) *examine the books, accounts, records, and files of every licensee under this chapter and of every person who is engaged in any activity*

*regulated under this chapter; 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 this chapter to report all sales or transactions that are regulated under this chapter. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.*

*Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under this chapter, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.*

*Subd. 3. [COURT ORDERS.] In case of a refusal to appear or a refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person to appear before the commissioner, or the officer designated by the commissioner, to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.*

*Subd. 4. [SCOPE OF PRIVILEGE.] No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty or forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce documentary or other evidence except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.*

*Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] (a) Whenever it appears to the commissioner that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, or any rule or order adopted under this chapter, the commissioner has the powers indicated under paragraphs (b) and (c).*

*(b) 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 this chapter, or any rule or order adopted or issued under this chapter, 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.*

*(c) The commissioner may issue and serve an order requiring a person to cease and desist from violations of this chapter, or any rule or order adopted or issued under this chapter. The order must 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. 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 a 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 paragraph.*

*Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates this chapter, unless a different penalty is specified under this chapter.*

*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 this chapter, or censure that person if the commissioner finds that the order is in the public interest or the person has violated this chapter.*

*Subd. 8. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.*

**Sec. 17. [79.75] [ACCESS TO INSURER.]**

*The commissioner, or the designated person, shall have free access during normal business hours to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of any company, applicant, association, or person that may be examined pursuant to this chapter 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 including officers, directors, and agents, shall provide to the commissioner or the designated person convenient and free access at all reasonable hours at its office to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of the company or person. The officers, directors, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so.*

**Sec. 18. Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:**

*Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue the coverage.*

Sec. 19. Minnesota Statutes 1990, section 221.141, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL RESPONSIBILITY OF CERTAIN CARRIERS.] No motor carrier and no interstate carrier shall operate a vehicle until it has obtained and has in effect the minimum amount of financial responsibility required by this section. Policies of insurance, surety bonds, other types of security, and endorsements must be continuously in effect and must remain in effect until canceled. Before providing transportation, the motor carrier or interstate carrier shall secure and cause to be filed with the commissioner and maintain in full effect, *both* a certificate of insurance in a form required by the commissioner, evidencing public liability insurance in the amount prescribed, *and acceptable evidences of compliance with the workers' compensation insurance coverage requirements of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and the dates of coverage, or the permit to self-insure.* The insurance must cover injuries and damage to persons or property resulting from the operation or use of motor vehicles, regardless of whether each vehicle is specifically described in the policy. This insurance does not apply to injuries or death to the employees of the motor carrier or to property being transported by the carrier. The commissioner shall require cargo insurance for certificated carriers, except those carrying passengers exclusively. The commissioner may require a permit carrier to file cargo insurance when the commissioner deems necessary to protect the users of the service.

Sec. 20. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]

*Notwithstanding Minnesota Statutes, section 79.56, subdivision 5, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1992 report required under Minnesota Statutes, section 79.60, is approved by the commissioner of commerce and six months thereafter.*

Sec. 21. [MANDATED REDUCTIONS.]

*(a) As a result of the workers' compensation law changes in articles 1 to 4 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on October 1, 1991, must be reduced by 17 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 17 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 17 percent premium reduction prorated to the expiration of that policy. An insurer shall provide a written notice by November 1, 1991, to all employers having an outstanding policy with the insurer as of October 1, 1991, that reads as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1991 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ . . . . . which reflects a 17 percent mandated premium reduction prorated to the expiration of your policy."*

*(b) No rate increases may be filed between April 1, 1991, and January 1, 1992.*

*(c) The commissioner of labor and industry shall survey Minnesota*

*employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the legislature by March 1, 1992.*

Sec. 22. [ADJUSTMENT.]

*Within 60 days of final enactment of this legislation, the board shall determine whether any adjustment in the assigned risk rates in effect as of the date of enactment are required by this section.*

Sec. 23. [REPEALER.]

*Minnesota Statutes 1990, sections 79.54; 79.57; and 79.58, subdivision 1, are repealed.*

Sec. 24. [EFFECTIVE DATE.]

*This article is effective January 1, 1992; except that section 21, paragraphs (a) and (c), are effective October 1, 1991; and section 21, paragraph (b), is effective the day following final enactment."*

Delete the title and insert:

"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."

Mr. Waldorf questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Gustafson appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment

of the Senate?"

There were yeas 33 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Lessard	Morse	Solon
Beckman	Hottinger	Luther	Novak	Stumpf
Belanger	Hughes	Marty	Pappas	Traub
Chmielewski	Johnson, D.J.	Merriam	Price	Vickerman
Cohen	Johnson, J.B.	Metzen	Ranum	Waldorf
Davis	Kelly	Moe, R.D.	Reichgott	
Finn	Kroening	Mondale	Sams	

Those who voted in the negative were:

Benson, D.D.	Day	Johnson, D.E.	Larson	Olson
Benson, J.E.	Frederickson, D.R.	Johnston	McGowan	Pariseau
Bernhagen	Gustafson	Knaak	Mehrkens	Storm
Brataas	Halberg	Laidig	Neuville	

The decision of the Chair was sustained.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, 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; 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; and 221; 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:

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~~ *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 AND RAIL CROSSING SAFETY 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;*

*(4) recommendations for statutory changes to improve grade crossing safety;*

*(5) the adequacy of existing and proposed methods of grade crossing safety, including:*

*(i) train visibility;*

*(ii) signal and warning device design;*

*(iii) a public reporting system for malfunctioning warning devices;*

*(iv) improved systems of crossing warnings; and*

(v) recommendations for additional funds for rail crossing safety education; and

(6) methods for establishing statewide priorities for grade crossing safety and for implementing these priorities.

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 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) 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.

Subd. 1a. [VIOLATION.] *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.*

Subd. 2. [PENALTY.] (a) A ~~person~~ driver who violates ~~this section~~ subdivision 1 is guilty of a misdemeanor.

(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.*

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 credited to the transportation services fund.*

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.

### 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. [457A.04] [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.]**

*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 and all money received by the commissioner from repayment of loans made under 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, if the design standards comply with the standards established by the commissioner under subdivision 1.*

*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. The county board shall act within 60 days after receiving a written request to designate a county state-aid highway a natural preservation route. 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, if the design is adopted to conform to this section, the design complies with the minimum state-aid standard applicable to the road, and the design is not grossly negligent.*

**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.*

## ARTICLE 5

### TOLL FACILITIES

#### Section 1. [160.83] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms used in sections 1 to 7 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 7.*

*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 7.*

**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 7. 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 price agreed upon in the development agreement for any property incorporated into the facility. The development agreement may provide for adjusting 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 may provide the terms of the transfer or reversion. The private operator shall provide the security agreed upon in the development agreement to ensure that, upon reversion, the facility meets construction and maintenance standards of the road authority applicable at the time of construction.*

*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. [160.85] [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 an amount agreed upon in the development agreement for the services provided.*

#### Sec. 4. [160.86] [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. [160.87] [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. [160.88] [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. [160.89] [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 FUNDING

#### 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 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. 3. Minnesota Statutes 1990, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate:

For the period on and after ~~May 1, 1988~~ July 1, 1991, gasoline is taxed at the rate of ~~20~~ 23 cents per gallon.

Sec. 4. 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. 5. 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. 6. 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 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: \$600,000 annually to the transportation services fund and the balance of the receipts to the highway user tax distribution fund.* Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 7. Laws 1990, chapter 610, article 1, section 13, subdivision 5, is amended to read:

Subd. 5. Local Bridge Replacement  
and Rehabilitation

5,600,000

This appropriation is from the state transportation fund.

(a) This appropriation shall be distributed by the commissioner of transportation as grants to political subdivisions for the construction and reconstruction of key bridges on highways and streets under their jurisdiction. The grants shall not exceed the following aggregate amounts:

(1) To counties	\$3,304,000
(2) To home rule charter and statutory cities	\$ 784,000
(3) To towns	\$1,512,000

(b) The grants may be used by a political subdivision to:

(1) Construct and reconstruct key bridges under their jurisdiction;

(2) Match federal-aid grants for construction and reconstruction of the bridges;

(3) Pay the costs of preliminary engineering and environmental studies for the bridges;

(4) Pay the costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement is made; ~~and~~

(5) Pay the cost of constructing a road or street that would facilitate the abandonment of an existing deficient bridge. The construction of the road or street must be judged by the commissioner to be more cost-efficient than the reconstruction or replacement of the existing bridge; *and*

*(6) Pay the cost of constructing a water retention structure that replaces an existing deficient bridge and is included in a county comprehensive water plan approved by the board of water and soil resources and the department of natural resources. The participating cost is limited to the cost of drainage structures and roadway grading other than surfacing and is limited to an amount that does not exceed the cost of constructing a replacement bridge.*

Sec. 8. [APPROPRIATION.]

*Subdivision 1. [GENERAL APPROPRIATION.] \$1,200,000 is appropriated from the transportation services fund as provided in subdivision 2.*

	1992	1993
<i>Subd. 2. Department of Transportation</i>		
<i>(a) Conduct railroad crossing protection study</i>	\$ 60,000	\$ -0-
<i>(b) Inventory railroad grade crossings</i>	293,000	363,000
<i>(c) Develop public education program</i>	20,000	20,000
<i>(d) Promulgate railroad crossing rules and standards</i>	24,000	24,000
<i>(e) Promulgate port improvement assistance rules and document projects</i>	-0-	75,000
<i>Subd. 3. Transportation Study Board</i>	150,000	150,000

Sec. 9. [EFFECTIVE DATE.]

*Section 3 is effective July 1, 1991, and applies to gasoline and special fuel in distributor storage on that date. Section 6 is effective the day after final enactment. The remaining sections 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 and 3 to 11 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 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. 3. 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. 4. 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. 5. 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; inter-modal 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. 6. 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. 7. 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. 8. [473.3997] [COUNCIL APPROVAL OF FEDERAL FUNDING.]

*No political subdivision or regional rail authority in the metropolitan area may seek or receive federal financial assistance for design or construction of light rail transit facilities without prior approval of the metropolitan council.*

Sec. 9. [473.3998] [LIGHT RAIL TRANSIT JOINT POWERS BOARD.]

*A light rail transit joint powers board shall be formed under section 471.59 to implement light rail transit final design and construction of the corridors funded solely with federal and county funds. The board shall consist of a voting member from the metropolitan transit commission, the department of transportation, the regional transit board, the metropolitan council, and the regional rail authorities of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties, plus an additional voting member from a county regional rail authority with a corridor in which final design has begun.*

Sec. 10. [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. 11. [REPEALER.]

*Laws 1989, chapter 339, section 21, is repealed.*

Sec. 12. [APPLICATION.]

*Sections 1 to 11 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. Of all funds*

*appropriated to the commissioner other than state-aid funds, the commissioner shall spend 0.1 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 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. [EFFECTIVE DATE.]**

*Sections 1 to 5 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; 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; 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 use of local bridge grant funds to construct drainage structures; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; 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; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.02, subdivision 1b; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1989, chapter 339, section 21."

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

Mr. Merriam from the Committee on Finance, to which was re-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 7, strike "April" and insert "*June*"

Page 3, after line 22, insert:

"Sec. 6. Minnesota Statutes 1990, section 16A.662, subdivision 2, is amended to read:

Subd. 2. [BONDS AUTHORIZED.] When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue ~~infrastructure development~~ bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Sec. 7. Minnesota Statutes 1990, section 16A.662, subdivision 4, is amended to read:

Subd. 4. [ESTABLISHMENT OF DEBT SERVICE ACCOUNT; APPROPRIATION OF DEBT SERVICE ACCOUNT MONEY.] There is established within the state bond fund a separate and special account designated as the

infrastructure development bond debt service account. ~~There must be transferred to this debt service account in each fiscal year from money in the infrastructure development fund, other than bond proceeds and interest earned on bond proceeds, an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding infrastructure development bonds to and including the second following July 1. The amount necessary to make the transfer is appropriated from the infrastructure development fund.~~ The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Sec. 8. Minnesota Statutes 1990, section 16A.662, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT TO HIGHER EDUCATION SYSTEMS.] (a) In order to reduce the amount otherwise required to be transferred ~~under subdivision 4 to the state bond fund with respect to bonds heretofore or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2,~~ the commissioner of finance shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to ~~infrastructure development~~ those bonds sold to finance capital improvement projects at institutions under the control of the system; provided that, to the extent that the amount to be transferred is for payment of principal and interest on bonds sold to finance life safety improvements, the commissioner must not assess the higher education systems for the transfer.

(b) After each sale of ~~infrastructure development~~ the bonds, the commissioner of finance shall notify the state board for vocational technical education, the state board for community colleges, the state university board, and the regents of the University of Minnesota of the amounts for which each system is responsible for each year for the life of the bonds. The amounts payable each year are reduced by one-third of the net income from investment of ~~infrastructure development~~ those bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its annual share of debt service payments to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise payable to the system to cover the amount of the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the infrastructure development bond debt service account in the state bond fund each December 1 before the transfer is made under subdivision 4."

Page 3, line 36, after the period, insert "*For state building proposals in the capitol area, as defined in section 15.50, subdivision 2, paragraph (a), the commissioner shall consult with the capitol area architectural and planning board regarding building sites and design standards. The board shall provide to the governor and legislature a statement on the request's impact upon the capitol area and its compatibility with the comprehensive plan for the capitol area.*"

*Subd. 3. [CONSULTATION REQUIRED.] State agencies and other public bodies considering capitol area projects shall consult with the capitol area architectural and planning board before developing plans for capital improvements or capital budget proposals for submission to the legislature and governor. The board shall provide to the governor and legislature a statement on the request's impact upon the capitol area and its compatibility with the comprehensive plan for the capitol area.*

Sec. 10. Minnesota Statutes 1990, section 349A.10, subdivision 5, is amended to read:

*Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, ~~28.3 percent must be credited to the infrastructure development fund for capital improvement projects at state institutions of higher education, 6.7 percent must be credited to the infrastructure development fund for capital improvement projects to develop or protect the state's environment and natural resources, and,~~ through the first ten full fiscal years during which proceeds from the lottery are received, 25 percent must be credited to the Greater Minnesota account in the special revenue fund, *and the balance must be credited to the general fund.**

Sec. 11. [INFRASTRUCTURE DEVELOPMENT BOND DEBT SERVICE.]

*In order to enable debt service on infrastructure development bonds to be paid from the general fund rather than from the infrastructure development fund, the commissioner of finance shall transfer accounts in the infrastructure development fund that contain proceeds from the state lottery from the infrastructure development fund to the general fund."*

Page 4, line 2, delete "administration" and insert "finance"

Page 4, line 3, delete "ways to make" and insert "how"

Page 4, line 5, delete ", as a way" and insert "and strategies"

Page 4, after line 6, insert:

"Sec. 13. [DEBT SERVICE LIMIT.]

*The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1993, no more than \$390,000,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.*

Sec. 14. [APPROPRIATIONS.]

*\$15,061,000 is appropriated from the general fund to the commissioner*



*of administration for the purposes specified in this section, to be available until expended.*

(a) Parking lot security	\$961,000
(b) Agency relocation expenses	13,500,000
(c) Reform capital budget process	600,000

*This appropriation includes money to develop standards for the capital budget planning process.*

*The approved complement of the department of administration is increased by four positions."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "notes;" insert "discontinuing sale of infrastructure development bonds, consolidating debt service for infrastructure development bonds in the general fund; requiring consultation with the capitol area architectural and planning board on building projects in the capitol area;"

Page 1, line 8, after "report;" insert "setting the debt service limit for the biennium ending June 30, 1991; appropriating money;"

Page 1, line 9, delete "section" and insert "sections"

Page 1, line 10, after the semicolon, insert "16A.662, subdivisions 2, 4, and 5; and 349A.10, subdivision 5;"

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

## SECOND READING OF SENATE BILLS

S.F. No. 1182 was read the second time.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Solon and Gustafson introduced—

S.F. No. 1558: A bill for an act relating to retirement; public employees police and fire retirement fund local relief association consolidation accounts; providing for the establishment of a single local relief consolidation account for all consolidating relief associations located in the municipality; amending Minnesota Statutes 1990, section 353A.09, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Price introduced—

S.F. No. 1559: A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

Referred to the Committee on Education.

Messrs. Knaak, Chmielewski, Dahl, Price and Benson, D.D. introduced—

S.F. No. 1560: 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.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

H.F. No. 654: 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.

Was read the third time 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	Finn	Kroening	Morse	Samuelson
Belanger	Flynn	Laidig	Novak	Solon
Benson, D.D.	Frederickson, D.J.	Langseth	Olson	Spear
Benson, J.E.	Frederickson, D.R.	Larson	Pappas	Storm
Berg	Gustafson	Lessard	Pariseau	Stumpf
Berglin	Halberg	Luther	Piper	Traub
Bernhagen	Hottinger	Marty	Pogemiller	Vickerman
Bertram	Hughes	McGowan	Price	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Ranum	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Johnson, J.B.	Metzen	Renneke	
Davis	Johnston	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

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, sections 169.121, subdivision 6, and by adding a subdivision; and 169.94.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Hottinger and Neuville voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 478: A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; 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; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 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; 204B.45, 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.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 525: A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; 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, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Ranum
Beckman	Day	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	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Brataas	Hottinger	Luther	Pariseau	Stumpf
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 1201: 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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

S.F. No. 520: A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Halberg and Neuville voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Berglin	Halberg	McGowan	Merriam
Benson, J.E.	Davis	Knaak		

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Halberg voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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, J.B.	Merriam	Ranum
Beckman	Day	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	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Brataas	Hottinger	Luther	Pariseau	Stumpf
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
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
Davis	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

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.

Was read the third time 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, J.B.	Merriam	Ranum
Beckman	Day	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	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Brataas	Hottinger	Luther	Pariseau	Stumpf
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, J.E.	Mehrkens	Olson	Pariseau	Waldorf
Halberg				

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Finn and Halberg voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Ranum
Beckman	Finn	Laidig	Morse	Reichgott
Belanger	Flynn	Langseth	Neuville	Renneke
Benson, J.E.	Frederickson, D.J.	Larson	Novak	Riveness
Bernhagen	Frederickson, D.R.	Lessard	Olson	Sams
Bertram	Hottinger	Luther	Pappas	Solon
Brataas	Hughes	McGowan	Pariseau	Storm
Chmielewski	Johnson, D.E.	Mehrkens	Piper	Stumpf
Dahl	Johnson, D.J.	Metzen	Pogemiller	Traub
Davis	Johnson, J.B.	Moe, R.D.	Price	Vickerman

Those who voted in the negative were:

Benson, D.D.	Dicklich	Knaak	Merriam	Spear
Berglin	Halberg	Kroening	Samuelson	Waldorf
Cohen	Kelly			

So the bill passed and its title was agreed to.

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.

Was read the third time 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, J.B.	Merriam	Ranum
Beckman	Day	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	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Brataas	Hottinger	Luther	Pariseau	Stumpf
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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, J.B.	Metzen	Riveness
Beckman	Day	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	Frederickson, D.J.	Laidig	Novak	Storm
Berglin	Frederickson, D.R.	Langseth	Olson	Stumpf
Bernhagen	Gustafson	Larson	Pariseau	Traub
Bertram	Halberg	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Renneke	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	Frederickson, D.J.	Laidig	Novak	Spear
Berglin	Frederickson, D.R.	Langseth	Olson	Storm
Bernhagen	Gustafson	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

S.F. No. 195: 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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Johnston	Olson	Pariseau	Storm
Halberg				

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Johnston	Metzen	Reichgott
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
Brataas	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf
Davis	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 719 from 4:30 to 5:30 p.m.:

Messrs. Samuelson, Spear, Renneke, Solon and Ms. Berglin. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 2:30 p.m.:

Messrs. Stumpf, Dicklich, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.



**RECESS**

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

**APPOINTMENTS**

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1422: Messrs. Chmielewski, Finn, Halberg, Riveness and Ms. Flynn.

H.C.R. No. 1: Messrs. Pogemiller, Luther and Storm.

H.C.R. No. 2: Messrs. Pogemiller, Luther and Storm.

S.F. No. 800: Messrs. Price, Merriam and Lessard.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Mr. Frank was excused from the Session of today. Mr. DeCramer was excused from the Session of today at 5:20 p.m. Mr. Sams was excused from the Session of today from 3:00 to 3:45 p.m. and from 4:30 to 5:10 p.m. Mr. Larson was excused from the Session of today from 3:00 to 3:45 p.m. Mr. Dahl was excused from the Session of today from 2:00 to 5:40 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Thursday, May 9, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTIETH DAY

St. Paul, Minnesota, Thursday, May 9, 1991

The Senate met at 12:30 p.m. and was called to order by the President.

### CALL OF THE SENATE

Ms. Olson 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 Khoury.

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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 7, 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. 729.

Warmest regards,  
Arne H. Carlson, Governor

May 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
	614	47	11:08 a.m. May 6	May 6
	324	48	11:12 a.m. May 6	May 6
	526	49	3:29 p.m. May 6	May 6
	1105	50	3:26 p.m. May 6	May 6
	983	51	11:15 a.m. May 6	May 6
	1017	52		May 7
	422	53	11:28 a.m. May 6	May 6
	1418	54	2:27 p.m. May 6	May 6
	843	55	3:30 p.m. May 6	May 6
368		56	3:07 p.m. May 6	May 6
	230	57	2:30 p.m. May 6	May 6
286		59	3:34 p.m. May 6	May 6
550		60	3:18 p.m. May 6	May 6
732		61	3:33 p.m. May 6	May 6

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1315.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 81 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1991

Mr. Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 81, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 793 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1991

Mr. Merriam moved that S.F. No. 793 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 669, 833, 1197, 1119, 267, 786 and 1189.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 669: A bill for an act relating to agriculture; providing a "Minnesota extra" category of dairy products; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Finance.

H.F. No. 833: 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.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 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 Rules and Administration for comparison with S.F. No. 579, now on General Orders.

H.F. No. 1197: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1118, now on General Orders.

H.F. No. 1119: 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 Rules and Administration for comparison with S.F. No. 1166, now on General Orders.

H.F. No. 267: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 275, now on General Orders.

H.F. No. 786: 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 Rules and Administration for comparison with S.F. No. 895, now on General Orders.

H.F. No. 1189: 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 Rules and Administration for comparison with S.F. No. 1116, now on General Orders.

### REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1326 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.
				1326	1204

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1326 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1326 and insert the language after the enacting clause of S.F. No. 1204, the first engrossment; further, delete the title of H.F. No. 1326 and insert the title of S.F. No. 1204, the first engrossment.

And when so amended H.F. No. 1326 will be identical to S.F. No. 1204, and further recommends that H.F. No. 1326 be given its second reading and substituted for S.F. No. 1204, 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. 143 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.
143	105				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 143 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 143 and insert the language after the enacting clause of S.F. No. 105, the first engrossment; further, delete the title of H.F. No. 143 and insert the title of S.F. No. 105, the first engrossment.

And when so amended H.F. No. 143 will be identical to S.F. No. 105, and further recommends that H.F. No. 143 be given its second reading and substituted for S.F. No. 105, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1125 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.
1125	893				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1125 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1125 and insert the language after the enacting clause of S.F. No. 893, the first engrossment; further, delete the title of H.F. No. 1125 and insert the title of S.F. No. 893, the first engrossment.

And when so amended H.F. No. 1125 will be identical to S.F. No. 893, and further recommends that H.F. No. 1125 be given its second reading and substituted for S.F. No. 893, 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. 1050 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.
1050	1008				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1050 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1050 and insert the language after the enacting clause of S.F. No. 1008; further, delete the title of H.F. No. 1050 and insert the title of S.F. No. 1008.

And when so amended H.F. No. 1050 will be identical to S.F. No. 1008, and further recommends that H.F. No. 1050 be given its second reading and substituted for S.F. No. 1008, 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. 1127 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.
1127	1432				

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. 564 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.
564	709				

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. 378 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.
				378	306

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. 1592 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.
				1592	1419

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. 289 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.
289	1117				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 289 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 289 and insert the language after the enacting clause of S.F. No. 1117, the first engrossment; further, delete the title of H.F. No. 289 and insert the title of S.F. No. 1117, the first engrossment.

And when so amended H.F. No. 289 will be identical to S.F. No. 1117, and further recommends that H.F. No. 289 be given its second reading and substituted for S.F. No. 1117, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 1326, 143, 1125, 1050, 1127, 564, 378, 1592 and 289 were read the second time.

**MOTIONS AND RESOLUTIONS**

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1561: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1990, sections 3.885, subdivisions 3 and 6; 3.97, by adding a subdivision; 3.971, subdivision 2; 8.06; 8.15; 15.06, subdivision 1; 15A.081, subdivision 1; 15A.082, subdivision 3, as amended; 16A.27, subdivision 5; 16B.24, subdivision 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 16B.63, by adding a subdivision; 17.49, subdivision 1; 43A.17, subdivisions 1 and 9; 62D.122; 62J.02, subdivisions 2 and 3; 79.34, subdivision 1; 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; 116J.873, subdivision 1; 116J.8766, subdivision 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 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; 160.276, by adding a subdivision; 176.421, subdivision 6a; 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; 383B.119, subdivision 3; 402.045; 423A.02, subdivision 1; 462.384, subdivision 7; 462.396, subdivision 2; 462A.05, by adding subdivisions; 466A.05, subdivision 1; 469.201, subdivision 2; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 471.468; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 484.545, subdivision 1; 484.73, by adding a subdivision; 504.34, subdivisions 5 and 6; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16B; 43A; 268; 270; and 462A; repealing Minnesota Statutes 1990, sections 40A.02, subdivision 2; 40A.08; 116J.967; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 383B.119, subdivision 2; and 422A.01, subdivision 3.

Mr. Luther moved that S.F. No. 1561 be laid on the table. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Dicklich moved that S.F. No. 958 be taken from the table. The motion prevailed.

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.

**CONCURRENCE AND REPASSAGE**

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 958 and that the bill be placed on its repassage as amended. The motion prevailed.

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; releasing a reversionary interest in real property.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Dahl moved that S.F. No. 793 be taken from the table. The motion prevailed.

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.125I.

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 793, 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. Samuelson moved that S.F. No. 635 be taken from the table. The motion prevailed.

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.

### CONCURRENCE AND REPASSAGE

Mr. Samuelson moved that the Senate concur in the amendments by the House to S. F. No. 635 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 635 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Dahl	Johnson, D.E.	Marty	Riveness
Belanger	Davis	Johnston	McGowan	Samuelson
Benson, D.D.	Day	Kelly	Merriam	Spear
Benson, J.E.	DeCramer	Knaak	Metzen	Storm
Berg	Finn	Kroening	Neuville	Stumpf
Berglin	Flynn	Laidig	Novak	Traub
Bernhagen	Gustafson	Langseth	Pappas	Vickerman
Bertram	Halberg	Larson	Pariseau	
Brataas	Hottinger	Lessard	Piper	
Cohen	Hughes	Luther	Ranum	

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1086 at 12:30 p.m.:

Messrs. Frederickson, D.J.; Johnson, D.J.; Pogemiller; Price and Ms. Reichgott. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 1:30 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 2:00 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes

reported that the committee had considered the following:

S.F. Nos. 853, 1466, 764, 1289, 431, 858, 282, 1127, 760, 502, 856, 510, 1528, 208, 255, 74, 1244, 1164 and H.F. Nos. 932, 71, 870, 743, 85, 424, 825, 154, 1066, 551, 882, 722, 1001, 609, which the committee recommends to pass.

S.F. No. 745, which the committee recommends be returned to its author.

S.F. No. 1112, which the committee recommends to pass with the following amendment offered by Mrs. Benson, J.E.:

Page 1, line 20, delete everything after "facility"

Page 1, line 21, delete everything before the period

Page 1, line 22, delete "and social"

The motion prevailed. So the amendment was adopted.

H.F. No. 875, which the committee recommends to pass with the following amendment offered by Mr. Mondale:

Amend H.F. No. 875, the unofficial engrossment, as follows:

Page 8, delete lines 15 to 20 and insert:

*"(13) if an automobile policy provides for the adjustment or settlement of an automobile loss due to damaged window glass, failing to assume all costs sufficient to pay the insured's chosen vendor for the replacement of comparable window glass at a price generally available in the area. This clause does not prohibit an insurer from recommending a vendor to the insured or from agreeing with a vendor to perform work at an agreed-upon price."*

Page 8, after line 23, insert:

"Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 5, 7, and 8 are effective the day following final enactment."*

The motion prevailed. So the amendment was adopted.

H.F. No. 21, which the committee recommends to pass with the following amendments offered by Messrs. Bernhagen and Laidig:

Mr. Bernhagen moved to amend H.F. No. 21, the unofficial engrossment, as follows:

Page 2, line 7, before "Until" insert "(a)"

Page 2, line 10, delete everything after "waste" and insert "as defined in paragraph (b)"

Page 2, line 11, delete everything before "that"

Page 2, line 14, after the period, insert:

*"(b) An environmental assessment worksheet must be prepared for the following facilities before a permit is issued:*

*(1) a new or expanded facility that is not owned or operated by an infectious waste generator;*

*(2) a new or expanded facility with more than 350 pounds per hour of total capacity; and*

(3) a facility that expands capacity by more than 100 pounds per hour or that expands its total capacity by more than 50 percent, whichever is greater.

(c)”

Page 2, line 20, after the period, insert “*The permit and environmental assessment worksheet requirements of sections 2 and 3 do not apply to an incinerator that is planned to manage waste generated by the owner or operator and adjacent facilities if a plan for the incinerator is submitted to the pollution control agency by June 30, 1991, construction begins by October 1, 1991, and the facility complies with all applicable rules of the pollution control agency, including rules adopted after the date of final enactment of this act.*”

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 21, the unofficial engrossment, as follows:

Page 1, line 25, delete “*Except as provided in paragraph (b),*”

Page 2, delete lines 1 to 4 and insert:

“(b) *The commissioner shall notify a person who is planning to construct or expand a facility for the incineration of infectious waste of existing and potential air quality standards and other requirements that may require the facility to be upgraded and shall advise the person that the facility should be built to accommodate upgrading to meet those standards and requirements.*

(c) *Within 30 days after a person applies for an air emission permit required in paragraph (a), or upon request, the commissioner shall meet with the applicant and prepare a schedule for the permitting process. The schedule must indicate opportunities for public input, what information will be required and available about the project, who will prepare and pay for the information, and how the public can obtain more information about the project or similar projects. The schedule must be published in the State Register.*”

The motion prevailed. So the amendment was adopted.

S.F. No. 526, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 6, line 7, delete “*supervised release*” and insert “*supervision*”

The motion prevailed. So the amendment was adopted.

H.F. No. 716, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 716, the unofficial engrossment, as follows:

Page 4, line 7, strike “or”

Page 4, line 10, before the comma, insert “; or transferred from one correctional facility to another when the correctional program involves less security” and strike “prior to the release”

Page 4, line 12, after the period, insert “*The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the*

*offender was sentenced to a term of imprisonment of more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change in security status."*

The motion prevailed. So the amendment was adopted.

H.F. No. 683, which the committee recommends to pass with the following amendments offered by Mr. Solon:

Amend H.F. No. 683, the unofficial engrossment, as follows:

Page 9, line 16, delete everything after "*beverages*"

Page 9, delete lines 17 and 18

Page 9, line 19, delete "*or distributor*"

Page 12, line 12, delete "*directly or indirectly*"

Page 18, delete section 27

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7

Page 1, line 8, delete "*only;*"

Page 2, line 19, delete everything after the second semicolon

Page 2, line 20, delete everything before "*repealing*"

The motion prevailed. So the amendment was adopted.

Mr. Solon, for Mr. Dicklich, then moved to amend H.F. No. 683, the unofficial engrossment, as follows:

Page 19, after line 7, insert:

"Sec. 31. [ON-SALE LICENSES; CITY OF HIBBING.]

*Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Hibbing may issue not more than 20 on-sale intoxicating liquor licenses. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to licenses issued under this section."*

Page 19, after line 17, insert:

"*Subd. 3. [HIBBING SPECIAL LAW.] Laws 1989, chapter 72, is repealed."*

Page 19, line 28, after the period, insert "*Section 31 is effective on approval by the Hibbing city council and compliance with Minnesota Statutes, section 645.021, subdivision 3."*

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 783, which the committee recommends to pass with the following amendments offered by Mses. Johnson, J.B. and Olson:

Ms. Johnson, J.B. moved to amend S.F. No. 783 as follows:

Page 8, after line 36, insert:

“Sec. 12. [MEDICAL WASTE TASK FORCE.]

*(a) The commissioner of health shall appoint a medical waste task force to include representatives of the pollution control agency, the department of health, the office of waste management, representatives of local government units, citizens groups, environmental organizations, organized labor, the academic community, medical waste generators, and persons in the business of managing medical waste. Members of the task force shall serve without compensation.*

*(b) The medical waste task force shall:*

*(1) estimate the quantity and composition of medical waste currently generated in the state;*

*(2) assess current infectious waste decontamination capacity in the state;*

*(3) design a state policy that focuses on alternatives to incineration as the primary means of infectious waste decontamination according to the order of preference in Minnesota Statutes, section 115A.02, paragraph (b); and*

*(4) submit, by September 1, 1992, a medical waste management strategy report to the legislative commission on waste management and to the committees on the environment and natural resources and health and human services of the legislature recommending a statewide medical waste management policy.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Olson moved to amend the Johnson, J.B. amendment to S.F. No. 783 as follows:

Page 1, line 17, after “to” insert “landfilling and”

Page 1, line 19, delete “decontamination” and insert “disposal”

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Johnson, J.B. amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 928, which the committee recommends to pass with the following amendment offered by Mr. Neuville:

Page 3, line 4, delete everything after “[AUTHORITY.]” and insert “To carry out the commissioner’s enforcement duties under chapter 29, 31, 31A, or 34, the commissioner may, upon presenting appropriate credentials, during regular working hours and at other reasonable times, inspect premises subject to the commissioner’s enforcement and licensing authority for reasons related to the commissioner’s enforcement and licensing authority; request information from persons with information relevant to an inspection; and inspect relevant papers and records, including business records.”

Page 3, delete lines 5 to 11

Page 3, line 12, delete “records.”

Page 3, line 19, delete everything after “with” and insert “subpoenas



or to permit an inspection.”

Page 3, delete line 20

The motion prevailed. So the amendment was adopted.

H.F. No. 425, which the committee recommends to pass with the following amendments offered by Mrs. Benson, J.E.; Messrs. Finn, Beckman and DeCramer:

Mrs. Benson, J.E. moved to amend H.F. No. 425, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 490.)

Page 3, delete section 4

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, delete the semicolon and insert a period

Page 1, delete lines 7 and 8

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 425, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 490.)

Page 2, after line 28, insert:

“Sec. 3. [SALE OF TAX-FORFEITED LANDS; CASS COUNTY.]

*(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Cass county may sell tax-forfeited lands that border public water and, as of February 1, 1990, that were under lease agreements with the county pursuant to Minnesota Statutes, section 282.04, subdivision 1a. The lands must be conveyed under the remaining provisions of Minnesota Statutes, chapter 282.*

*(b) The conveyances must be in a form approved by the attorney general.*

*(c) The lands are located in Cass county and consist of:*

*(1) four lots bordering Stevens Lake in Government Lots 3 and 4, Section 22, Township 140, Range 27;*

*(2) nine lots bordering Long Lake in the Northwest Quarter of the Southwest Quarter and the Southwest Quarter of the Southwest Quarter, Section 15, Township 134, Range 30; and*

*(3) 17 lots bordering Lake Louise in the Northwest Quarter of the Northwest Quarter of Section 29, Township 139, Range 28 and the Northeast Quarter of the Northeast Quarter of Section 30, Township 139, Range 28.*

*(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.*

*(f) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing the sale of certain tax-forfeited lands that border public water in Cass county;"

The motion prevailed. So the amendment was adopted.

Mr. Beckman moved to amend H.F. No. 425, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 490.)

Page 3, after line 17, insert:

"Sec. 5. [SALE OF CERTAIN LAND IN FARIBAULT COUNTY.]

*Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell certain land to Eugene L. and Marilyn E. Stallkamp of Bricelyn, Minnesota, in accordance with this section before December 31, 1991.*

*The land described in this section may be sold by private sale for a consideration not less than its appraised value plus the cost of an appraisal. The conveyance must be in a form approved by the attorney general.*

*The land that may be sold is a tract of state land of about 2.8 acres located in Faribault county described as: That part of the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of Section 30, Township 102, North, Range 24 West, described as follows: from a point on the East and West Quarter lines of said Section 30, distant 863.9 feet West of the Center of said Section 30, run Southerly at right angles to said Quarter line for a distance of 1003.00 feet to the point of beginning of tract to be described: thence deflect to the left at an angle of 90 degrees for a distance of 440 feet: thence deflect to the right at an angle of 90 degrees for a distance of 230 feet: thence deflect to the right at an angle of 90 degrees for a distance of 620 feet: thence run Northeasterly to the point of beginning: containing 2.80 acres, more or less.*

*The tract of land, formerly owned by the department of transportation and used as a gravel pit, was conveyed to the department of natural resources in 1972 when no longer needed and is completely surrounded by land owned by the Stallkamps. The land is no longer used for any purpose and is surplus land for the department."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, before the period, insert "; authorizing the sale of certain land in Faribault county"

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 425, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 490.)

Page 2, after line 28, insert:

**"Sec. 3. [CONVEYANCE OF STATE LANDS; SOUTHWEST STATE UNIVERSITY.]**

*(a) Notwithstanding Minnesota Statutes, chapter 94, the commissioner of administration may convey the land described in paragraph (c) to John McLaughlin of Marshall, Minnesota, for a consideration of not less than the appraised value. Mr. McLaughlin shall pay the cost of appraisal.*

*(b) The conveyance must be in a form approved by the attorney general.*

*(c) The land to be conveyed is located in the city of Marshall, Lyon county, and described as: That portion of the Northwest Quarter of Section 3, Township 111 North, Range 41 West, described as follows:*

*Beginning at the southeasterly corner of Lot 1, Block 1, College Foundation Addition, city of Marshall, Minnesota, and running thence northerly along the easterly line of said Lot 1 a distance of 276.26 feet; thence easterly a distance of 51.27 feet; thence southerly and parallel with the easterly line of said Lot 1 a distance of 276.26 feet; thence westerly 51.27 feet to the true point of beginning.*

*(d) Mr. McLaughlin sold the land in 1964 and now wishes to repurchase it for use in connection with development of student housing. The land is no longer needed by Southwest State University.*

**Sec. 4. [EASEMENT ACROSS STATE LANDS; SOUTHWEST STATE UNIVERSITY.]**

*(a) Notwithstanding any other law, the commissioner of administration may convey to John McLaughlin of Marshall, Minnesota, an easement as described in paragraph (c) for no consideration.*

*(b) The conveyance must be in a form approved by the attorney general.*

*(c) The easement to be granted is on that portion of the Northwest Quarter of Section 3, Township 111 North, Range 41 West, described as follows:*

*Beginning at the intersection of State Street and the northerly line of McLaughlin Drive, College Foundation Addition, city of Marshall, Minnesota, and running thence westerly as an extension of the northerly line of said McLaughlin Drive a distance of 70 feet to the westerly line of State Street, the true point of beginning; thence southerly along the westerly line of State Street a distance of 50 feet; thence, westerly a distance of 25 feet; thence northerly and parallel with the westerly line of State Street a distance of 50 feet; thence easterly a distance of 25 feet to the true point of beginning.*

*(d) The easement is necessary to provide access to the property described in section 3."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Luther moved that H.F. No. 1631 be taken from the table. The motion prevailed.

H.F. No. 1631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 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; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 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; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 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; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04;

116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

### 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. 1631 and that the rules of the Senate be so far suspended as to give H.F. No. 1631 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1631 was read the second time.

Mr. Kroening moved to amend H.F. No. 1631 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1631, and insert the language after the enacting clause, and the title, of S.F. No. 1561, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Halberg moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 13, after line 49, insert:

“The commissioner of finance shall determine \$24,000,000 in total expenditure reductions among the legislature, the judicial branch, state agencies, the governor’s office, and the constitutional offices. The reduction as to each entity shall be determined proportionate to their total general fund appropriation for fiscal years 1992-1993. Once the appropriate amount has been determined as to each entity, the governor shall implement these reductions. To the extent possible, each entity shall implement its budget reduction in the areas of upper and middle management.”

### CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate for the balance of the proceedings on H.F. No. 1631. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Halberg amendment.

The roll was called, and there were yeas 21 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnston	Neuville	Sams
Benson, D.D.	Frederickson, D.J.	Knaak	Olson	
Benson, J.E.	Gustafson	Larson	Pariseau	
Dahl	Halberg	McGowan	Renneke	
Davis	Johnson, D.E.	Mondale	Riveness	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Morse	Solon
Beckman	Frank	Lessard	Piper	Spear
Berg	Hottinger	Luther	Pogemiller	Traub
Berglin	Hughes	Marty	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Waldorf
Cohen	Johnson, J.B.	Metzen	Reichgott	
Finn	Kroening	Moe, R.D.	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 28, lines 8 to 11, delete the new language and insert "A state agency may hire outside counsel after obtaining a bid for the services from the attorney general and at least three attorneys other than the attorney general, provided the agency accepts the lowest cost bid for the services."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	Brataas	Johnson, D.E.	McGowan	Renneke
Belanger	Day	Johnston	Mehrkens	Storm
Benson, D.D.	Frederickson, D.R.	Knaak	Neuville	
Benson, J.E.	Gustafson	Larson	Olson	
Bernhagen	Halberg	Lessard	Pariseau	

Those who voted in the negative were:

Adkins	Finn	Kroening	Pappas	Solon
Berg	Flynn	Langseth	Piper	Spear
Berglin	Frank	Luther	Price	Stumpf
Bertram	Frederickson, D.J.	Marty	Ranum	Traub
Chmielewski	Hottinger	Merriam	Reichgott	Vickerman
Cohen	Johnson, D.J.	Metzen	Riveness	Waldorf
Davis	Johnson, J.B.	Mondale	Sams	
Dicklich	Kelly	Morse	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 98, after line 35, insert:

"ARTICLE 3  
PUBLIC DEFENSE

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~~ *January* 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 1992, the second, fourth, and eighth districts; and (6) (2) in 1992 1993, the first, third, fourth, and tenth districts; (3) in 1994, the fifth and ninth districts; and (4) in 1995, the sixth and seventh 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. [SALARY FREEZE.]

*The salary, as defined in Minnesota Statutes, section 43A.17, subdivision 1, of a position in the office of the Hennepin county public defender may not be increased above its level on April 1, 1991, until July 1, 1993, unless this salary freeze is earlier lifted by law.*

Sec. 14. [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. 15. [APPROPRIATION.]

*\$15,000,000 is appropriated from the general fund to the board of public defense for aid to the office of the Hennepin county public defender. \$7,500,000 is for fiscal year 1992 and \$7,500,000 is for fiscal year 1993. This appropriation is available only if the reforms to the public defender system in sections 1 to 14 are enacted.*

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective July 1, 1991."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 24, line 38, after "effect" insert "for judges"

Page 24, line 39, before the period, insert ", and for legislators and constitutional officers until January 3, 1994"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mehrkens	Renneke
Beckman	Day	Johnston	Morse	Sams
Benson, D.D.	Frederickson, D.J.	Knaak	Neuville	Storm
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Hottinger	McGowan	Ranum	

Those who voted in the negative were:

Berg	Frederickson, D.R.	Merriam	Pogemiller	Traub
Bertram	Kelly	Metzen	Price	Vickerman
Cohen	Kroening	Moe, R.D.	Reichgott	Waldorf
Dahl	Langseth	Mondale	Samuelson	
DeCramer	Lessard	Novak	Solon	
Finn	Luther	Pappas	Spear	
Flynn	Marty	Piper	Stumpf	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 15, after line 47, insert:

“The salary of a position in the state civil service or subject to the political subdivision salary limit in Minnesota Statutes, section 43A.17, subdivision 9, but not subject to Minnesota Statutes, chapter 179A, that is at least \$50,000 a year may not be increased above its level on April 1, 1991, until January 1, 1993, unless this salary freeze is earlier lifted by law.”

Mr. Knaak moved to amend the Luther amendment to H.F. No. 1631 as follows:

Page 1, line 12, delete “\$50,000” and insert “\$35,000”

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Luther amendment, as amended.

The roll was called, and there were yeas 57 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Brataas	Merriam	Neuville	Waldorf
Benson, J.E.				

The motion prevailed. So the amendment, as amended, was adopted.

Ms. Pappas moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 5, after line 33, insert:

“\$5,000 the first year is to continue the study of racial bias in the judicial system mandated by Laws 1990, chapter 557.”

Correct the subdivision and section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 12, line 5, delete “586,000” and insert “1,586,000”

Page 12, delete line 6 and insert:

“\$1,000,000 the first year is to fund the activities of a joint public/private commission to be called the Commission on Reform and Efficiency (CORE). \$200,000 is available immediately for start-up costs. The commission”

Page 12, line 11, after the period, insert “This appropriation is available only as matched by an equal amount from nonstate sources. In-kind contributions may be counted toward the matching contribution goal.” and delete “commissioner” and insert “commission”

Page 12, line 13, delete “\$11,000,000” and insert “\$12,000,000”

Page 12, line 18, after the period, insert “Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.”

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnston	Mehrkens	Sams
Benson, D.D.	Frederickson, D.R.	Knaak	Neuville	Storm
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Morse	Samuelson
Beckman	Finn	Langseth	Novak	Spear
Berg	Flynn	Lessard	Pappas	Stumpf
Berglin	Frank	Luther	Piper	Traub
Bertram	Frederickson, D.J.	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	Merriam	Price	Waldorf
Cohen	Hughes	Metzen	Ranum	
Dahl	Johnson, J.B.	Moe, R.D.	Reichgott	
Davis	Kelly	Mondale	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Pages 27 to 29, delete sections 41 and 42

ReNUMBER the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	McGowan	Pariseau
Benson, D.D.	Day	Johnston	Mehrkens	Renneke
Benson, J.E.	Frederickson, D.R.	Knaak	Morse	Storm
Berg	Gustafson	Laidig	Neuville	
Bernhagen	Halberg	Larson	Olson	

Those who voted in the negative were:

Adkins	Finn	Langseth	Pappas	Solon
Beckman	Flynn	Lessard	Piper	Spear
Berglin	Frank	Luther	Pogemiller	Stumpf
Bertram	Frederickson, D.J.	Marty	Price	Traub
Chmielewski	Hottinger	Merriam	Ranum	Vickerman
Cohen	Johnson, D.J.	Metzen	Reichgott	Waldorf
Dahl	Johnson, J.B.	Moe, R.D.	Riveness	
Davis	Kelly	Mondale	Sams	
DeCramer	Kroening	Novak	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Kroening moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 56, line 23, delete "422A.01" and insert "422A.101"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 29, after line 32, insert:

"Sec. 44. Minnesota Statutes 1990, section 16A.18, is amended to read:  
16A.18 [ACCOUNTING, PAYROLL FOR COURTS, LEGISLATURE.]

The judicial and legislative branches are branch is not required to use the

state accounting system or a computerized payroll system.”

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 46, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Brataas	Halberg	Larson	Pariseau
Benson, J.E.	Day	Johnston	Neuville	Storm
Bernhagen	Gustafson	Knaak	Olson	

Those who voted in the negative were:

Adkins	Finn	Kroening	Moe, R.D.	Solon
Beckman	Flynn	Laidig	Mondale	Spear
Belanger	Frank	Langseth	Morse	Stumpf
Berg	Frederickson, D.J.	Lessard	Piper	Traub
Berglin	Frederickson, D.R.	Luther	Pogemiller	Vickerman
Bertram	Hottinger	Marty	Price	Waldorf
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	
Davis	Johnson, J.B.	Merriam	Riveness	
DeCramer	Kelly	Metzen	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Pogemiller moved to amend H.F. No. 1631, as amended by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1561.)

Page 45, line 7, delete the new language

Page 45, line 19, delete from “*The*” through page 45, line 22, to the period

The motion prevailed. So the amendment was adopted.

H.F. No. 1631 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 13, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Gustafson	Johnston	Mehrkens	Pariseau
Benson, D.D.	Halberg	Knaak	Neuville	
Benson, J.E.	Hughes	Larson	Olson	

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

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

S.F. No. 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.

Was read the third time 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, 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	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	Marty	Pogemiller	Waldorf
Dahl	Hughes	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:



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

Messrs. Benson, D.D.; Berg; Finn and Halberg voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 922: 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; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Knaak	Neuville	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	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.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	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	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Renneke	

Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 693: A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, 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; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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. 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.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

S.F. No. 811: A bill for an act relating to retirement; providing certain survivor benefits to certain persons under the public employees retirement association police and fire plan.

Was read the third time 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.

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.

Was read the third time 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	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	
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. 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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1475: A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	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	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

Mr. Halberg and Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

## GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 351 and H.F. Nos. 1509, 128, 910, which the committee recommends to pass.

S.F. No. 173, which the committee recommends to pass with the following amendments offered by Mr. Knaak:

Page 2, line 36, after "(f)" insert "(1)"

Page 3, line 2, after "(f)" insert "(1)"

The motion prevailed. So the amendment was adopted.

Mr. Knaak then moved to amend S.F. No. 173 as follows:

Page 3, line 2, before the period, insert "*and the employer cannot show that the previous employee in the same position was dismissed for good cause shown, including but not limited to malfeasance, nonfeasance, gross neglect of duty, or negligence*"

The motion prevailed. So the amendment was adopted.

S.F. No. 735, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 1, line 17, delete "*lobbying or*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Lessard	Pariseau
Beckman	Davis	Hottinger	McGowan	Samuelson
Belanger	Day	Johnson, D.E.	Mehrkens	Solon
Benson, D.D.	Finn	Johnson, D.J.	Metzen	Stumpf
Benson, J.E.	Frank	Kroening	Mondale	Vickerman
Bertram	Frederickson, D.J.	Laidig	Neuville	

Those who voted in the negative were:

Berglin	Flynn	Luther	Pappas	Traub
Brataas	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, J.B.	Merriam	Riveness	
Dicklich	Kelly	Morse	Spear	

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 735.

The roll was called, and there were yeas 32 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Frederickson, D.J.	Lessard	Samuelson
Beckman	Chmielewski	Hottinger	McGowan	Solon
Belanger	Davis	Hughes	Metzen	Stumpf
Benson, D.D.	Day	Johnson, D.E.	Mondale	Vickerman
Benson, J.E.	Dicklich	Johnson, D.J.	Pariseau	
Berg	Finn	Kroening	Riveness	
Bertram	Frank	Laidig	Sams	

Those who voted in the negative were:

Berglin	Johnson, J.B.	Marty	Pappas	Traub
Cohen	Kelly	Merriam	Piper	Waldorf
Flynn	Luther	Morse	Spear	

The motion prevailed. So S.F. No. 735 was recommended to pass.

H.F. No. 914, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 914, as amended pursuant to Rule 49, adopted by the Senate April 22, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 844.)

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1990, section 282.018, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY ON OR ADJACENT TO PUBLIC WATERS.]  
 (a) All land which is the property of the state as a result of forfeiture to the state for nonpayment of taxes, regardless of whether the land is held in trust for taxing districts, and which borders on or is adjacent to meandered lakes and other public waters and watercourses, and the live timber growing or being thereon, is hereby withdrawn from sale except as hereinafter provided. The authority having jurisdiction over the timber on any such lands may sell the timber as otherwise provided by law for cutting and removal under such conditions as the authority may prescribe in accordance with approved, sustained yield forestry practices. The authority having jurisdiction over the timber shall reserve such timber and impose such conditions as the authority deems necessary for the protection of watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and

St. Louis counties described in the Act of Congress approved July 10, 1930 (46 Stat. 1020), the timber on tax-forfeited lands shall be subject to like restrictions as are now imposed by that act on federal lands.

(b) Of all tax-forfeited land bordering on or adjacent to meandered lakes and other public waters and watercourses and so withdrawn from sale, a strip two rods in width, the ordinary high-water mark being the waterside boundary thereof, and the land side boundary thereof being a line drawn parallel to the ordinary high-water mark and two rods distant landward therefrom, hereby is reserved for public travel thereon, and whatever the conformation of the shore line or conditions require, the authority having jurisdiction over such lands shall reserve a wider strip for such purposes.

(c) Any tract or parcel of land which has 50 feet or less of waterfront may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of such lands, if the authority determines that it is in the public interest to do so. If the authority having jurisdiction over the land is not the commissioner of natural resources, the land may not be offered for sale without the prior approval of the commissioner of natural resources.

(d) *Where the authority having jurisdiction over lands withdrawn from sale under this section is not the commissioner of natural resources, the authority may submit proposals for disposition of the lands to the commissioner. The commissioner of natural resources shall evaluate the lands and their public benefits and make recommendations on the proposed dispositions to the committees of the legislature with jurisdiction over natural resources. The commissioner shall include any recommendations of the commissioner for disposition of lands withdrawn from sale under this section over which the commissioner has jurisdiction. The commissioner's recommendations may include a public sale, sale to a private party, acquisition by the department of natural resources for public purposes, or a cooperative management agreement with, or transfer to, another unit of government.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 535, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 4, delete lines 3 to 15 and insert:

*"Subd. 13. [PAYMENT OF HEALTH CARE CLAIMS.] Insurers issuing individual and group health insurance policies and all other third party payors shall pay a 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 issuing a check payable to the insured and the health care provider, if the insurer is aware of a valid assignment of benefits for the claim. This subdivision does not apply to a nonprofit health service plan corporation regulated under chapter 62C or a health maintenance organization regulated under chapter 62D."*

The motion prevailed. So the amendment was adopted.

S.F. No. 1179, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Pages 1 and 2, delete section 1

Page 6, line 16, before "A" insert "*Subject to the provisions of chapter*



466.”

Page 6, line 28, before “An” insert “*Subject to the provisions of chapter 466.*”

Pages 14 and 15, delete section 14

Page 15, line 17, delete “14” and insert “12”

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 5, delete “287.06;”

Page 1, line 9, delete “subdivisions 3 and 8” and insert “subdivision 3”

The motion prevailed. So the amendment was adopted.

H.F. No. 126, which the committee recommends to pass with the following amendment offered by Mr. Davis:

Amend H.F. No. 126, the unofficial engrossment, as follows:

Page 1, after line 16, insert:

“Sec. 2. Minnesota Statutes 1990, section 161.14, is amended by adding a subdivision to read:

*Subd. 26. [ELMER L. ANDERSEN HIGHWAY.] That portion of constitutional route 18 known as trunk highway No. 169, beginning at Princeton and extending south six miles, is named and designated the “Elmer L. Andersen scenic highway.” The commissioner of transportation may adopt a suitable marking design to mark this highway, may erect the appropriate signs, and shall ensure preservation of the environmental characteristics and scenic beauty of the designated highway.”*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 688, which the committee reports progress, subject to the following motions:

Ms. Ranum moved to amend S.F. No. 688 as follows:

Page 19, line 24, delete “may”

Page 19, line 25, after the comma, insert “*may at reasonable times*” and after “*site*” insert “*other than a private residence*”.

Page 19, line 29, after the period, insert “*When a site at which electrical work is being or has been performed or where records concerning the performance of electrical work are kept is a private residence, the board must notify an adult resident before inspecting the site, and the inspection must be made during normal business hours unless a resident agrees in advance to another time.*”

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 688 as follows:

Pages 15 and 16, delete section 26

Page 19, delete section 32

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Berg	Gustafson	Mehrkens	Sams
Belanger	Bernhagen	Johnston	Neuville	Storm
Benson, D.D.	Bertram	Knaak	Olson	
Benson, J.E.	Day	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Lessard	Pappas	Traub
Chmielewski	Hottinger	Luther	Price	Waldorf
Cohen	Hughes	Marty	Ranum	
Flynn	Johnson, J.B.	Moe, R.D.	Riveness	
Frank	Kroening	Mondale	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak then moved to amend S.F. No. 688 as follows:

Pages 7 and 8, delete section 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Gustafson	McGowan	Pariseau
Benson, D.D.	Bertram	Johnston	Mehrkens	Sams
Benson, J.E.	Day	Knaak	Neuville	Storm
Berg	DeCramer	Langseth	Olson	

Those who voted in the negative were:

Adkins	Flynn	Johnson, J.B.	Mondale	Spear
Beckman	Frank	Kroening	Novak	Traub
Chmielewski	Frederickson, D.J.	Luther	Pappas	Waldorf
Cohen	Hottinger	Marty	Ranum	
Dicklich	Hughes	Moe, R.D.	Riveness	

The motion did not prevail. So the amendment was not adopted.

The question was taken on the recommendation to pass S.F. No. 688.

The roll was called, and there were yeas 27 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Merriam	Pappas	Spear
Chmielewski	Hughes	Metzen	Piper	Traub
Cohen	Johnson, J.B.	Moe, R.D.	Price	Waldorf
Dicklich	Kroening	Mondale	Ranum	
Finn	Luther	Morse	Riveness	
Flynn	Marty	Novak	Samuelson	

Those who voted in the negative were:

Beckman	Bertram	Gustafson	Lessard	Renneke
Belanger	Brataas	Hottinger	McGowan	Sams
Benson, D.D.	Day	Johnston	Mehrkens	Storm
Benson, J.E.	DeCramer	Knaak	Neuville	Stumpf
Berg	Frederickson, D.J.	Laidig	Olson	Vickerman
Bernhagen	Frederickson, D.R.	Langseth	Pariseau	

The motion did not prevail. S.F. No. 688 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.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 81: Mr. Hottinger, Mrs. Adkins and Mr. Day.

S.F. No. 793: Messrs. Dahl, Merriam and Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today from 12:30 to 5:10 p.m. Mr. Halberg was excused from the Session of today at 6:45 p.m. Messrs. Frank; Moe, R.D.; Mondale; Renneke and Sams were excused from the Session of today from 12:30 to 1:30 p.m. Mr. Novak was excused from the Session of today from 12:30 to 1:15 p.m. and from 3:45 to 5:20 p.m. Mr. Dahl was excused from the Session of today from 12:30 to 2:10 p.m. Mr. DeCramer was excused from the Session of today from 5:00 to 5:25 p.m. Mr. Hughes was excused from the Session of today from 5:00 to 5:45 p.m. Ms. Reichgott was excused from the Session of today at 6:50 p.m. Mr. Dahl was excused from the Session of today at 7:00 p.m. Mr. Knaak was excused from the Session of today from 7:05 to 8:30 p.m. Mr. Renneke and Ms. Berglin were excused from the Session of today from 7:30 to 9:30 p.m.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Friday, May 10, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTY-FIRST DAY

St. Paul, Minnesota, Friday, May 10, 1991

The Senate met at 1:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Larson 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 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	
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 communication was received.

May 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
	471	Res. No. 7	1:40 p.m. May 7	May 7
	41	62	1:44 p.m. May 7	May 7
729		63	2:58 p.m. May 7	May 7
	98	64	1:45 p.m. May 7	May 7
	894	65	1:50 p.m. May 7	May 7

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 437, 531, 691, 355, 460, 636, 953 and 1032.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 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. 417: 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, subdivisions 4 and 6; 120.0752, subdivision 2; 121.612, subdivisions 2 and 5; 122.23, subdivision 18; 123.932, subdivision 3; 124.14, subdivision 1; 124.155, subdivision 2; 124.195, subdivisions 2, 3, 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 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; 121.933, subdivision 2; 122.23, subdivision 17; 123.932, subdivision 4; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; and 354.094, subdivisions 1a and 1b.

Senate File No. 417 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

Mr. Moe, R.D. moved that S.F. No. 417 be laid on the table. The motion

prevailed.

Mr. Dicklich moved that S.F. No. 417 be taken from the table. The motion prevailed.

### CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 417 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 417 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Riveness
Beckman	Day	Johnson, J.B.	Metzen	Sams
Belanger	Dicklich	Johnston	Moe, R.D.	Solon
Benson, D.D.	Finn	Knaak	Mondale	Spear
Benson, J.E.	Flynn	Kroening	Morse	Storm
Berg	Frank	Laidig	Neuville	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Novak	Traub
Bertram	Frederickson, D.R.	Larson	Olson	Vickerman
Brataas	Gustafson	Lessard	Pariseau	
Chmielewski	Halberg	Luther	Piper	
Cohen	Hottinger	Marty	Price	
Dahl	Hughes	McGowan	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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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; 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 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

Senate File No. 880 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 880, and that a Conference Committee of 3 members

be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 328 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

### CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 328 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 328 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 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.

Senate File No. 687 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 687, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 918: A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, by adding a subdivision.

Senate File No. 918 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

### CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 918 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 918: A bill for an act relating to insurance; prohibiting certain agreements; requiring that insurers provide copies of claim information for certain auto claims; amending Minnesota Statutes 1990, sections 60A.08, by adding a subdivision; and 72A.201, subdivision 6.

Was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:



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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1027: A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

Senate File No. 1027 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

Mr. Price moved that the Senate do not concur in the amendments by the House to S.F. No. 1027, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Stanius, Sparby and Reding.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1991

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1042:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Winter; Anderson, I. and Uphus have been appointed as such committee on the part of the House.

House File No. 1042 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1991

Mr. Frederickson, D.R. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1042, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1371:

H.F. No. 1371: 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Brown, Steensma and Dille have been appointed as such committee on the part of the House.

House File No. 1371 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1991

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1371, 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. 99, 118, 702, 961, 691, 694, 860, 958, 1000, 1657, 20, 765, 1147, 1190, 202, 1142 and 1353.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 99: 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; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2.

Referred to the Committee on Finance.

H.F. No. 118: A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 853, now on the Calendar.

H.F. No. 702: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

Referred to the Committee on Finance.

H.F. No. 961: A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

Referred to the Committee on Finance.

H.F. No. 691: 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.

H.F. No. 694: 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; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; 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; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Referred to the Committee on Finance.

H.F. No. 860: 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.

H.F. No. 958: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 945, now on General Orders.

H.F. No. 1000: A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; 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 Finance.

H.F. No. 1657: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1528, now on the Calendar.

H.F. No. 20: A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 440, now on the Calendar.

H.F. No. 765: 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 Finance.

H.F. No. 1147: 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 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 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; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1168, now on General Orders.

H.F. No. 1190: A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1380, now on General Orders.

H.F. No. 202: A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 173, now on the Calendar.

H.F. No. 1142: A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 969, now on General Orders.

H.F. No. 1353: A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Finance.

## REPORTS OF COMMITTEES

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

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

S.F. No. 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; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Page 7, delete lines 14 to 24

Renumber the clauses in sequence

Page 8, line 12, before "The" insert "*The licensing fee for residential building contractors and remodelers is \$60 for the license period ending March 31, 1993, and \$75 for each year thereafter. The commissioner may adjust the fees under section 16A.128 to recover the costs of administration and enforcement.*"

Page 8, line 13, delete "*residential building contractors,*"

Page 8, line 14, delete "*remodelers, and*" and before the period, insert "*under section 16A.128*"

Page 8, delete lines 16 to 18 and insert "*be deposited in the state treasury and credited to the general fund.*"

Page 9, delete lines 5 to 16

Page 9, line 17, delete "*Subd. 3. [CATEGORY TWO LICENSES.]*"

Page 11, delete line 17

Page 11, line 18, before the first "a" insert paragraph coding

Page 15, after line 16, insert:

"Sec. 23. [INITIAL TEMPORARY LICENSES.]

*Residential building contractors and remodelers must obtain a temporary license, which is effective as of January 1, 1992. The commissioner may stagger the temporary licenses so that approximately one-half of the licenses will expire on March 31, 1993, and the other one-half on March 31, 1994.*"

Page 15, delete lines 18 and 19 and insert:

*"\$912,000 is appropriated from the general fund to the commissioner of commerce to administer sections 7 to 22. \$436,000 is for fiscal year 1992 and \$476,000 is for fiscal year 1993.*

*\$216,000 is appropriated from the general fund to the attorney general to administer sections 7 to 22. \$88,000 is for fiscal year 1992 and \$128,000 is for fiscal year 1993.*"

Page 15, line 22, after the period, insert "*Section 8 is effective January 1, 1992.*"

Renumber the sections in sequence

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

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

S.F. No. 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 court orders in contested custody cases and providing for payment of investigation costs; 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, by adding a subdivision; 518.17, subdivision 2; 518B.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 6, delete lines 29 to 35

Page 6, line 36, before "*appropriated*" insert:

"\$30,000 is"

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. 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 2, line 3, before the period, insert "*, beginning in the year the project is scheduled for completion in the highway work program*"

Page 2, line 4, after "*advanced*" insert "*is appropriated to the commissioner for the purposes in this section and*"

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

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

S.F. No. 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 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [WASECA STUDY.]

*The commissioner of administration shall study the potential uses for the*

*Waseca campus. The commissioner shall appoint an advisory committee to assist with the study. The commissioner shall report the findings and recommendations from the study to the board of regents, and the education, appropriations, and finance committees of the legislature by January 15, 1992.*

Sec. 2. [APPROPRIATION.]

*\$50,000 is appropriated from the general fund to the commissioner of administration for the purposes of section 1. The appropriation is available if matched by \$1 of non-state money for each \$2 of this appropriation."*

Delete the title and insert:

"A bill for an act relating to higher education; authorizing a study of potential uses for the Waseca campus of the University of Minnesota; appropriating money."

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

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

S.F. No. 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 be amended as follows:

Page 3, delete lines 7 to 12

Page 3, line 13, delete "*Subd. 2.*" and insert "*Subdivision 1.*"

Page 3, line 14, delete "*to the supreme court*"

Page 3, delete lines 18 and 19 and insert:

	<i>"Fiscal Year 1992</i>	<i>Fiscal Year 1993</i>
<i>Supreme court</i>	<i>\$ 165,000</i>	<i>\$ 175,000</i>
<i>Court of appeals</i>	<i>305,000</i>	<i>325,000</i>
<i>Trial courts</i>	<i>4,371,000</i>	<i>4,656,000"</i>

Page 3, line 20, delete "*3*" and insert "*2*"

Page 3, line 21, delete "*2 is*" and insert "*1 and the assets of the judges retirement fund are*"

Page 3, line 23, after "*fund*" insert "*or payments of survivor benefits*"

Page 3, line 24, delete "*supreme court*" and insert "*executive director of the Minnesota state retirement system, upon certification by the executive director to the commissioner of finance*"

Page 3, after line 24, insert:

*"Subd. 3. [OTHER APPROPRIATION CANCELED.] The appropriation in H.F. No. 1631 to the Minnesota state retirement system for judges' retirement costs is canceled."*



Amend the title as follows:

Page 1, line 5, delete "to the supreme court"

Page 1, line 6, delete "social security and"

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

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

S.F. No. 100: 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.

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

Page 1, line 18, after the period, insert "*In addition, if a culvert that replaces a deficient bridge is in a county comprehensive water plan approved by the board of water and soil resources and the department of natural resources, the costs of the culvert and roadway grading other than surfacing are eligible for replacement funds up to the cost of constructing a replacement bridge.*"

Page 1, line 22, delete everything after the period and insert "*When bridge approach construction work exceeds \$10,000 in costs, the town shall be eligible for financial assistance from the town bridge account. Financial assistance shall be limited to 90 percent of the cost of the bridge approach work that is in excess of \$10,000 and shall be requested by resolution of the county board.*"

Page 1, delete lines 23 to 26

Page 2, delete lines 1 to 3

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4

Page 1, line 5, delete everything before the semicolon and insert "authorizing replacement funds for certain culverts and grading costs; authorizing certain assistance for bridge approaches from the town bridge account"

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. 1189 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.
1189	1116				

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. 1119 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.
1119	1166				

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. 833 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.
833	579				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 833 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 833 and insert the language after the enacting clause of S.F. No. 579, the second engrossment; further, delete the title of H.F. No. 833 and insert the title of S.F. No. 579, the second engrossment.

And when so amended H.F. No. 833 will be identical to S.F. No. 579, and further recommends that H.F. No. 833 be given its second reading and substituted for S.F. No. 579, 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. 786 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.
786	895				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 786 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 786 and insert the language after the enacting clause of S.F. No. 895, the first engrossment; further, delete the title of H.F. No. 786 and insert the title of S.F. No. 895, the first engrossment.

And when so amended H.F. No. 786 will be identical to S.F. No. 895, and further recommends that H.F. No. 786 be given its second reading and substituted for S.F. No. 895, 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. 1197 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.
1197	1118				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1197 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1197 and insert the language after the enacting clause of S.F. No. 1118, the first engrossment; further, delete the title of H.F. No. 1197 and insert the title of S.F. No. 1118, the first engrossment.

And when so amended H.F. No. 1197 will be identical to S.F. No. 1118, and further recommends that H.F. No. 1197 be given its second reading and substituted for S.F. No. 1118, 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. 267 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.
267	275				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 267 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 267 and insert the language after the enacting clause of S.F. No. 275, the second engrossment; further, delete the title of H.F. No. 267 and insert the title of S.F. No. 275, the second engrossment.

And when so amended H.F. No. 267 will be identical to S.F. No. 275, and further recommends that H.F. No. 267 be given its second reading and substituted for S.F. No. 275, 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. 202, 228, 1238, 1402, 1340 and 100 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 1189, 1119, 833, 786, 1197 and 267 were read the second time.

### **MOTIONS AND RESOLUTIONS**

#### **SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

#### **CALENDAR**

H.F. No. 378: A bill for an act relating to state lands; authorizing exchange of real property.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 735: 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.

Was read the third time 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 27, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Hottinger	Mehrkens	Sams
Beckman	Chmielewski	Johnson, D.E.	Metzen	Solon
Belanger	Dahl	Johnson, D.J.	Mondale	Stumpf
Benson, D.D.	Day	Kroening	Neuville	Vickerman
Benson, J.E.	Finn	Laidig	Novak	
Berg	Frank	Larson	Price	
Bernhagen	Frederickson, D.J.	Lessard	Renneke	
Bertram	Frederickson, D.R.	McGowan	Riveness	

Those who voted in the negative were:

Berglin	Gustafson	Knaak	Morse	Spear
Cohen	Halberg	Langseth	Olson	Storm
Davis	Hughes	Luther	Piper	Traub
DeCramer	Johnson, J.B.	Marty	Ranum	
Dicklich	Johnston	Merriam	Reichgott	
Flynn	Kelly	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

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.

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1592: 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.

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

So the bill passed and its title was agreed to.

H.F. No. 1326: A bill for an act relating to economic development; providing a preference for outdoor recreation grants; stating the legislative intent that this act is not intended to alter the existing divisions of grants; amending Minnesota Statutes 1990, section 116J.980, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	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.	Langseth	Novak	Storm
Bertram	Frederickson, D.R.	Larson	Olson	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Halberg	Luther	Piper	Vickerman
Cohen	Hottinger	Marty	Pogemiller	
Dahl	Hughes	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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, subdivision 3, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pariseau	Stumpf
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	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	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Laidig	Olson	Storm
Bertram	Frederickson, D.R.	Langseth	Pariseau	Stumpf
Brataas	Gustafson	Larson	Piper	Traub
Chmielewski	Halberg	Lessard	Pogemiller	Vickerman
Cohen	Hottinger	Marty	Price	
Dahl	Hughes	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	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
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	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
Chmielewski	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	
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. 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.

Was read the third time 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	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	
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. 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.

Was read the third time 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	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	
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. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston, Messrs. Mondale, Novak and Sams voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	
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. 431: A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	Johnson, J.B.	Merriam	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	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Storm
Bertram	Frederickson, D.R.	Larson	Pariseau	Stumpf
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	
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. 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.

Was read the third time 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	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	
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. 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.

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

So the bill passed and its title was agreed to.

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.164, subdivision 4; and 272.02, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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	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	
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. 1066: 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.

Was read the third time 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.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Mehrkens	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	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Traub
Cohen	Hottinger	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 1127: A bill for an act relating to human services; establishing an advisory council; requiring a plan to simplify rules and regulations governing services to persons with developmental disabilities and related conditions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Price
Beckman	Day	Johnson, D.J.	Merriam	Ranum
Belanger	DeCramer	Johnson, J.B.	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, J.E.	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	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Hughes	McGowan	Pogemiller	Vickerman

Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	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.	Riveness
Berg	Flynn	Knaak	Mondale	Sams
Berglin	Frank	Kroening	Morse	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Spear
Bertram	Frederickson, D.R.	Langseth	Novak	Storm
Brataas	Gustafson	Larson	Olson	Stumpf
Chmielewski	Halberg	Lessard	Pappas	Traub
Cohen	Hottinger	Luther	Pariseau	Vickerman
Dahl	Hughes	Marty	Piper	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Mehrkens	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	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Pappas	Storm
Brataas	Gustafson	Larson	Pariseau	Stumpf
Chmielewski	Halberg	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Hughes	Marty	Price	

So the bill passed and its title was agreed to.

H.F. No. 425: A bill for an act relating to state lands; directing sale of two tracts of state-owned land in St. Louis county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	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	Knaak	Neuville	Samuelson
Berglin	Frank	Kroening	Novak	Solon
Bernhagen	Frederickson, D.J.	Laidig	Olson	Spear
Bertram	Frederickson, D.R.	Langseth	Pappas	Storm
Brataas	Gustafson	Larson	Pariseau	Stumpf
Chmielewski	Halberg	Lessard	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 351: A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	
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. 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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Johnson	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	
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. 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.

Was read the third time 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	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	
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. 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.

Was read the third time 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	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	
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. 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 400.101; 429.061, subdivision 3; 447.49; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 462C and 469.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	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	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Storm
Brataas	Halberg	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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, subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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	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	
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. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	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	Knaak	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	



Messrs. Kroening and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 783: 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; creating a medical waste task force; 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.

Was read the third time 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	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	
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. 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.

Was read the third time 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	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	
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. 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; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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	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	
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. 882: 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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Mehrkens	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	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Storm
Brataas	Gustafson	Larson	Pariseau	Stumpf
Chmielewski	Halberg	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Hughes	Marty	Price	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

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; amending Minnesota Statutes 1990, section 85.012, 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	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	
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. 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.

Was read the third time 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:

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	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

So the bill passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate 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 Report at the Desk be now adopted. The motion prevailed.

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

S.F. No. 371: 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.

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

Page 6, line 34, delete "\$ . . . . ." and insert "\$314,000"

Page 6, line 36, delete ", to be available until June 30, 1993" and after the period, insert "\$228,000 is for fiscal year 1992 and \$86,000 is for fiscal year 1993. The approved complement of the department of public safety is increased by two positions."

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

**SECOND READING OF SENATE BILLS**

S.F. No. 371 was read the second time.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

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

S.F. No. 1562: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, section 302.461, subdivision 2, as amended.

Referred to the Committee on Rules and Administration.

Mr. Renneke introduced—

S.F. No. 1563: A bill for an act relating to historical sites; designating the old Sibley county courthouse as an additional site; amending Minnesota Statutes 1990, section 138.56, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Ms. Olson, Messrs. Larson, Kelly, Halberg and Mehrkens introduced—

S.F. No. 1564: A bill for an act relating to insurance; requiring obligors to notify the commissioner of public safety of lapses, cancellations, or failures to renew plans of reparation security; amending Minnesota Statutes 1990, section 65B.69.

Referred to the Committee on Commerce.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 3:10 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

**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.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House and Reports of Committees. The motion prevailed.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1086, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1086 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1991

### SUSPENSION OF RULES

Mr. Moe, R.D. moved to suspend Joint Rule 2.06 to allow immediate consideration of H.F. No. 1086 and the Conference Committee Report thereon. The motion prevailed.

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1086

A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30,

subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 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, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 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; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487;

272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

May 10, 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. 1086, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1086 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
PROPERTY TAXES

Section 1. Minnesota Statutes 1990, section 13.51, subdivision 2, is amended to read:

Subd. 2. [INCOME PROPERTY ASSESSMENT DATA.] The following data collected by political subdivisions from individuals or business entities concerning income properties are classified as private or nonpublic data pursuant to section 13.02, subdivisions 9 and 12:

- (a) detailed income and expense figures for the current year plus the previous three years;
- (b) average vacancy factors for the previous three years;
- (c) verified net rentable areas or net usable areas, whichever is appropriate;
- (d) anticipated income and expenses for the current year; ~~and~~
- (e) projected vacancy factor for the current year; *and*
- (f) *lease information.*

Sec. 2. Minnesota Statutes 1990, section 13.51, is amended by adding a subdivision to read:

*Subd. 3. [DATA ON INCOME OF INDIVIDUALS.] Income information on individuals collected and maintained by political subdivisions to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12.*

Sec. 3. Minnesota Statutes 1990, section 13.54, is amended by adding a subdivision to read:



*Subd. 5. [PRIVATE DATA ON INDIVIDUALS.] Income information on individuals collected and maintained by a housing agency to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12. The data may be disclosed to the county and local assessors responsible for determining eligibility of the property for classification 4c.*

**Sec. 4. [117.57] [AUTHORITIES; RAILROAD PROPERTIES.]**

*Subdivision 1. [EMINENT DOMAIN.] The power of eminent domain of an authority, as defined in section 469.174, subdivision 2, extends to railroad properties located within the authority's limits, provided:*

*(1) the railroad property is not a line of track for which abandonment is required under federal law, or if it is a line of track for which abandonment is required under federal law, abandonment has been approved;*

*(2) some part of the property 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; and*

*(3) the authority intends to develop the property and has a plan for its cleanup and development within five years in order to maximize its market value.*

*Upon a showing by the petitioner in condemnation proceedings that the conditions described in clauses (1) to (3) exist, then the public use to which the authority would put the property is adjudged a superior public use to railroad use or any other past, present, or proposed future use, regardless of whether the property is held in trust, was previously acquired by condemnation, or is owned by a railroad.*

*Subd. 2. [RELATION TO STATE RAIL BANK.] Nothing in this section shall supersede the provisions of section 222.63.*

*Subd. 3. [RELATION TO REGIONAL RAILROAD AUTHORITIES.] An authority shall not be adjudged to have a superior public use to that of a regional railroad authority as defined in section 398A.01 or a state trail covered by section 85.015.*

**Sec. 5. Minnesota Statutes 1990, section 124A.03, subdivision 2, is amended to read:**

**Subd. 2. [REFERENDUM LEVY.]** (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. *Unless the referendum is conducted by mail under paragraph (g), 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 shall be used to finance school operations. The ballot may state that existing levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring authority.* The ballot shall designate the specific number of years for which the referendum authorization shall

apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of . . . . ., School District No. . . . ., be approved?”

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school 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 referendum to each taxpayer at the address listed on the school 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 school district.

*The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.*

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.”

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to 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 revocation or reduction referendum may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) *Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.*

Sec. 6. Minnesota Statutes 1990, section 124A.03, is amended by adding a subdivision to read:

*Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.*

*The ballot shall state the maximum amount of the increased levy as a percentage of market value, the amount that will be raised by that new school referendum tax rate in the first year it is to be levied, and that the new school referendum tax rate shall be used to finance school operations.*

*If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.*

*All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.*

Sec. 7. Minnesota Statutes 1990, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between April 15 and June 30 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a part of a class determined by a range of market value under clause (8), a class, or classes of the real property of any town or district in any county, or the valuation for a part of a class, a class, or classes of the real property of any county not in towns or cities,

should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of *a part of a class*, a class, or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; ~~and~~

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that are filed in the county auditor's office under section 272.115, by November 1 of the previous year and that occurred between October 1 of the year immediately preceding the previous year and September 30 of the previous year.

*The assessment/sales ratio study may separate the values of residential property into market value categories. The board may adjust the market value categories and the number of categories as necessary to create an adequate sample size for each market value category. The board may determine the adequate sample size. To the extent practicable, the methodology used in preparing the assessment/sales ratio study must be consistent with the most recent Standard on Assessment Sales Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The board may determine the geographic area used in preparing the study to accurately equalize values. A sales ratio study separating residential property into market value categories may not be used as the basis for a petition under chapter 278.*

The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property; *and*

(9) *The board shall receive from each county the estimated market values on the assessment date falling within the study period for all parcels by magnetic tape or other medium as prescribed by the commissioner of revenue.*

Sec. 8. Minnesota Statutes 1990, section 271.04, is amended to read:  
271.04 [HEARINGS.]

The tax court shall hold hearings and meetings as may be prescribed by the rules of the tax court, *including a rule on the admissibility of evidence not produced 30 days before a hearing by an owner of income-producing property*. The principal office of the tax court shall be in Saint Paul, but it shall hold hearings at any other place within the state, so that taxpayers may appear before the court with as little inconvenience and expense to the taxpayer as is practicable. The tax court shall be allowed to use the district court court room in all of the counties. The administrator of the tax court shall consult with the court administrator of the district court involved before a schedule of court room to be used by the tax court is established. Each tax court judge may hear and decide cases. Upon petition by a party to a case, or upon a motion by a tax court judge, and approval by a majority of the tax court, a case may be tried before the entire tax court. When an appeal is taken by a resident taxpayer from an order of the commissioner, not involving property taxes, venue for the case shall be, at the election of the taxpayer, in Ramsey county or in the district court judicial district in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a nonresident taxpayer from an order of the commissioner. Venue for all other cases arising under the tax laws of the state shall be in the same judicial district as if the case was being tried in district court.

Sec. 9. Minnesota Statutes 1990, section 271.21, subdivision 6, is amended to read:

Subd. 6. The hearing in the small claims division shall be informal and without a jury. The judge may hear any testimony and receive any evidence the judge deems necessary or desirable for a just determination of the case *except that evidence relating to the valuation of income-producing property not provided to the county assessor 30 days before a hearing by the property owner is not admissible, except when necessary to prevent undue hardship or when failure to provide is due to the unavailability of the evidence at that time*. Sales ratio studies published by the department of revenue may be admissible as a public record without foundation. All testimony shall be given under oath. A party may appear personally or may be represented or accompanied by an attorney. No transcript of the proceedings shall be kept.

Sec. 10. 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, *as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and parts 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes*, 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 *real property or 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. 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.

(20) *Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under Minnesota Statutes, chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.*

Sec. 11. Minnesota Statutes 1990, section 272.03, subdivision 1, is amended to read:

Subdivision 1. [REAL PROPERTY.] (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to the land, and all mines, *iron ore and taconite minerals not otherwise exempt*, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) ~~The term "Real property" shall~~ *does not* include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment, *and mine shafts, tunnels, and other underground openings used to extract ores and minerals taxed under chapter 298 together with steel, concrete, and other materials used to support such openings.*

(ii) The exclusion provided in clause (i) shall not apply to machinery and equipment includable as real estate by paragraphs (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

(iii) The exclusion provided in clause (i) does not apply to the exterior shell of a structure which constitutes walls, ceilings, roofs, or floors if the shell of the structure has structural, insulation, or temperature control functions or provides protection from the elements. Such an exterior shell is included in the definition of real property even if it also has special functions distinct from that of a building.

(d) The term real property does not include tools, implements, machinery, equipment, poles, lines, cables, wires, conduit, and station connections

which are part of a telephone communications system, regardless of attachment to or installation in real property and regardless of size, weight, or method of attachment or installation.

Sec. 12. Minnesota Statutes 1990, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 1a, 6, 8, and 9 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. 13. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

*Subd. 1a. [GENERAL AND ROUTINE MAINTENANCE.] General and routine maintenance of structures classified under section 273.13, subdivisions 22 and 23, shall not be subject to assessment and shall be disregarded in establishing market value, provided that it is owned by the same taxpayer in the current and previous years' assessment. For purposes of this subdivision, "general and routine maintenance" includes, but is not limited to, the following items:*

- (1) roof repair, excluding replacement;
- (2) siding repair, excluding replacement;
- (3) window repair, excluding replacement;
- (4) smoke detection, security, and sprinkler systems;

(5) plumbing repair, excluding replacement; and

(6) electrical rewiring.

Sec. 14. Minnesota Statutes 1990, section 273.12, is amended to read:  
273.12 [ASSESSMENT OF REAL PROPERTY.]

It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to every element and factor affecting the market value thereof, including its location with reference to roads and streets and the location of roads and streets thereon or over the same, and to take into consideration a reduction in the acreage of each tract or lot sufficient to cover the amount of land actually used for any improved public highway and the reduction in area of land caused thereby, provided, that in determining the market value of vacant land, the fact that such land is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the net tax capacity of that lot ~~or any single contiguous lot fronting on the same street~~ shall be eligible for reassessment. It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to lands which are comparable in character, quality, and location, to the end that all lands similarly located and improved will be assessed upon a uniform basis and without discrimination and, for agricultural lands, to consider and give recognition to its earning potential as measured by its free market rental rate.

Notwithstanding the provisions of this or any other section, no additional value shall be assessed for unmined mineral value except for iron ore or taconite.

Sec. 15. Minnesota Statutes 1990, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) 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.

(b) 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.

(c) 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.

(d) 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 ~~coowners 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. 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. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, grandparent, brother, sister, uncle, or aunt. This relationship may be by blood or marriage.~~

(e) In the case of property owned and formerly occupied by two or more persons in joint tenancy or tenancy in common, when those persons are parents and children, and when one or more of the owners ceases to occupy the property, the assessor shall continue to allow a full homestead classification as long as at least one of the owners continues to occupy the property for purposes of a homestead. This paragraph applies only to single family residential property. For purposes of this paragraph, the terms "parents" and "children" include relationships by marriage.

Sec. 16. Minnesota Statutes 1990, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision. *The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by June 1 of a year.*

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 17. Minnesota Statutes 1990, section 273.124, subdivision 14, is amended to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the department of natural resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 18. Minnesota Statutes 1990, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first ~~\$68,000~~ \$72,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17

percent of its market value. *For taxes payable in 1992, the market value of class 1a property that exceeds ~~\$68,000~~ \$72,000 but does not exceed ~~\$110,000~~ \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds ~~\$110,000~~ \$115,000 has a class rate of ~~three~~ 2.5 percent of its market value. For taxes payable in 1993 and thereafter, the market value of class 1a property that exceeds \$72,000 has a class rate of two percent.*

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) ~~with assistance by the administration of veterans affairs~~ has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

~~(iii)~~ (4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

*Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the property owner, that the property owner satisfies the disability requirements of this subdivision.*

Property is classified and assessed pursuant to clause (1) only if the

commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of ~~.4 percent of the first \$32,000 of market value for taxes payable in 1990, .6 percent of the first \$32,000 of market value for taxes payable in 1991, .8 percent of the first \$32,000 of market value for taxes payable in 1992,~~ and one percent of market value in excess of \$32,000 for taxes payable in ~~1990, 1991, and~~ 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 19. Minnesota Statutes 1990, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. If the market value of the house, garage, and surrounding one acre of land is less than ~~\$110,000~~ \$115,000, the value of the remaining land including improvements equal to the difference between ~~\$110,000~~ \$115,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of .45 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over ~~\$110,000~~ \$115,000 of market value that does not exceed 320 acres has a net class rate of 1.3 percent of market value for taxes payable in 1990 and thereafter, and a gross class rate of 2.25 percent of market value. The remaining property over the ~~\$110,000~~ \$115,000 market value in excess of 320 acres has a class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used

exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in *state or federal farm programs*. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products; ~~and includes the commercial boarding of horses if the commercial boarding of horses is done in conjunction with the raising or cultivation of agricultural products.~~

(d) Real estate of less than ten acres used principally for raising ~~poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption if the fish breeding occurs on land zoned for or cultivating agricultural use products~~, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in ~~the preceding sentence means any of the products identified in section 273.444, this subdivision 6, clause (2) includes:~~

(1) *livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;*

(2) *fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;*

(3) *the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1); and*

(4) *property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing.*

(e)(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3).

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for



the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 20. 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~~ 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(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~~ 2.8 percent of market value for taxes payable in 1992, and 2.6 percent of market value for taxes payable in 1993, and 2.5 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is ~~situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;~~

(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 for the original term of the loan.*

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building *as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990*, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, ~~1988~~ 1990; or (ii) meets the requirements of that section and receives public financing, *except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317.* Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents *unless the owner of the property elects to have the property assessed under section 48. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in section 48 the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under section 48.* 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. *This clause applies only to the property of a nonprofit or limited dividend entity.*

(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~~ 250 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~~ 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in 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~~ 1990. 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 seasonal residential recreational property not used for commercial purposes~~ under clause (8) (5) has a class rate of ~~3~~ 2.2 percent of market value for taxes payable in ~~1991 and~~ 2.3 percent of market value 1992, and for taxes payable in ~~1992~~, 1993 and thereafter, the first \$72,000 of market value has a class rate of 2 percent and the market value that exceeds \$72,000 has a class rate of 2.5 percent.

(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~~ paragraph 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~~ paragraph (c), clause (1), or this paragraph 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.

(e) Class 4e property includes:

(i) buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing; or

(ii) federally acquired buildings under four units and appurtenances, together with the land upon which they are located that is leased to a nonprofit corporation organized under chapter 317A that qualifies for tax exempt status under United States Code, title 26, section 501(c), or a housing and redevelopment authority authorized under sections 469.001 to 469.047; the purpose of the lease must be to allow the nonprofit corporation to provide transitional housing for homeless persons under the program established in Code of Federal Regulations, title 55, section 49489. As used in this subdivision, "transitional housing" has the meaning given in section 268.38, subdivision 1, except that the two-year restriction does not apply. If the

*property is purchased from the federal government by the nonprofit corporation for the purpose of continuing to provide transitional housing after the expiration of the lease, the property shall continue to be eligible for this classification.*

*To qualify as class 4e under this paragraph, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the county assessor to determine qualification under this paragraph.*

*For taxes payable in 1992, 1993, and 1994, only, class 4e property has a class rate of 1.5 percent of market value, except that property qualifying under item (ii) in 1992, 1993, or 1994 continues to receive a 1.5 percent class rate until the five-year lease has expired.*

(f) 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. 21. Minnesota Statutes 1990, section 275.08, subdivision 1b, is amended to read:

Subd. 1b. The amounts certified under section 275.07 after adjustment under section 275.07, subdivision 3, by an individual local government unit, *except for any amounts certified under section 124A.03, subdivision 2a, and section 275.60,* shall be divided by ~~the total gross tax capacity of all taxable properties within the local government unit's taxing jurisdiction for tax payable in 1989 and by the total net tax capacity of all taxable properties within the local government unit's taxing jurisdiction, for taxes payable in 1990 and thereafter.~~ The resulting ratio, the local government's local tax rate, multiplied by each property's ~~gross tax capacity for taxes payable in 1989 and net tax capacity for taxes payable in 1990 and subsequent years~~ shall be each property's ~~total~~ tax for that local government unit before reduction by any credits.

*Any amount certified to the county auditor under section 124A.03, subdivision 2a, or under section 275.60, after the dates given in those sections, shall be divided by the total estimated market value of all taxable properties within the taxing district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by each property's estimated market value shall be each property's new referendum tax before reduction by any credits.*

Sec. 22. [275.59] [LEVY OR BOND REFERENDUM; BALLOT NOTICE.]

*Notwithstanding any general or special law or any charter provisions, any question submitted to the voters by any local governmental subdivision at a general or special election after the day of final enactment, authorizing a property tax levy or tax rate increase, including the issuance of debt obligations payable in whole or in part from property taxes, must include on the ballot the following notice in bold-face type.*

**"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE."**

*For purposes of this section and section 275.60, "local governmental subdivision" includes counties, home rule and statutory cities, towns, school districts, and all special taxing districts. This statement is in addition to any general or special laws or any charter provisions that govern the contents of a ballot question.*

*This section does not apply to a school district bond election if the debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund.*

Sec. 23. [275.60] [REFERENDUM LEVY; MARKET VALUE.]

*For local governmental subdivisions other than school districts, any levy required to be approved and approved by the voters at a general or special election for taxes payable in 1992 and thereafter, shall be levied against the market value of all taxable property within the governmental subdivision. Any levy amount subject to the requirements of this section shall be certified separately to the county auditor under section 275.07.*

*The ballot shall state the maximum amount of the increased levy as a percentage of market value and the amount that will be raised by the new referendum tax rate in the first year it is to be levied.*

Sec. 24. 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 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, *except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and*
- (6) the net tax payable in the manner required in paragraph (a)-; *and*
- (7) *any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.60. These amounts shall be listed as "voter approved referenda levies."*

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.

Sec. 25. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] *(a) Except as provided in paragraph (b), interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.*

*(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.*

Sec. 26. Minnesota Statutes 1990, section 281.17, is amended to read:  
281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural

homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 25, paragraph ~~(d)(1)~~ or ~~(c)(4)~~ clause (5), in for which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, *except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time, that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy.*

Sec. 27. Minnesota Statutes 1990, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than ten percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$40 or more for taxes payable in 1990 and 1991, \$60 or more for taxes payable in 1992, \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1994, a claimant who is a homeowner shall be allowed an additional refund equal to the sum of (1) 75 percent of the first \$250 of the amount of the increase over ten percent for taxes payable in 1990 and 1991, 75 percent of the first \$275 of the amount of the increase over ten percent for taxes payable in 1992, 75 percent of the first \$300 of the amount of the increase over ten percent for taxes payable in 1993, and 75 percent of the first \$325 of the amount of the increase over ten percent for taxes payable in 1994, and (2) 90 percent of the amount of the increase over ten percent plus \$250 for taxes payable in 1990 and 1991, 90 percent of the amount of the increase over ten percent plus \$275 for taxes payable in 1992, 90 percent of the amount of the increase over ten percent plus \$300 for taxes payable in 1993, and 90 percent of the amount of the increase over ten percent plus \$325 for taxes payable in 1994. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.132; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.



(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1990, and December 1 of each of the following three years, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in 1991, 1993, or 1994 exceed the following amounts for the taxes payable year designated, the commissioner shall increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund so that the estimated total refund claims do not exceed the appropriation limit.

Taxes payable in:	Appropriation limit
1991	\$13,000,000
<del>1992</del>	<del>\$6,500,000</del>
1993	\$6,000,000
1994	\$5,500,000

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Sec. 28. Minnesota Statutes 1990, section 430.102, subdivision 3, is amended to read:

Subd. 3. [ANNUAL IMPROVEMENT ASSESSMENT PROCEDURE; APPEALS.] When the council has acted on the estimate of costs, the city engineer, with the assistance of the city assessor, shall prepare an assessment roll. The roll must list separately the amounts to be specially assessed against benefited and assessable property in the district in proportion to the benefits, descriptions of the property, and the names of the owners of the property to the extent they are available to the engineer. The assessment roll must be filed in the office of the city clerk and be available there for inspection.

The city council shall meet to consider objections to the amounts of special assessments at least ten days after a notice of hearing has been mailed to the named owners of the tracts, parcels, and lots of property proposed to be assessed. The notice must give the time, place, and purpose of the meeting, but may refer to the assessment roll for further particulars. When the city council has approved the amounts of the special assessments in the assessment roll or has changed them, the city clerk shall certify a copy of the assessment roll, with any changes, to the county auditor to be extended on the tax lists of the county. The special assessments must be collected with and in the same manner as other taxes on property for the current year.

Within 20 days after the adoption of the assessment, an aggrieved person may appeal to the district court as provided in section 430.03 except that no commissioners will be appointed to consider the amount of benefits. If the court finds that the assessment is not arbitrary, unreasonable, or made under a demonstrable mistake of fact or erroneous theory of law, it shall confirm the proceedings; *If the court finds that the assessment is valid but for the inclusion of one or more items of cost, it shall reduce the assessment*

by the amount erroneously included and confirm the assessment as reduced. Otherwise the court shall remand the matter to the city council for reconsideration and reassessment of the benefits after notice and hearing like those for the original assessments under this subdivision. Objections to the assessment are waived unless appealed under this paragraph.

Sec. 29. Minnesota Statutes 1990, section 430.102, subdivision 4, is amended to read:

Subd. 4. [COSTS AND ANNUAL IMPROVEMENTS DEFINED.] For the purposes of this chapter, with respect to pedestrian malls, "annual improvements" means any reconstruction, replacement, or repair of trees and plantings, furniture, *roadway fixtures*, *sidewalks*, shelters, and other facilities of a pedestrian mall, *snow removal*, *sweeping*, furnishing overhead or underground heating for ~~snow removal~~ or for enjoyment of pedestrians, and any other local improvement benefiting properties within the district. For the purposes of this chapter, with respect to annual improvements to and operation and maintenance of pedestrian malls, "costs" means costs of annual improvements, fees of consultants employed by the city council to assist in the planning of annual improvements, premiums on public liability insurance insuring the city and users of the pedestrian mall and on property damage insurance for pedestrian mall facilities, reasonable and necessary costs to the city for the time of city officials, *the advisory board*, *and employees spent* in connection with annual improvements to and operating and maintaining a pedestrian mall and levying and collecting special assessments and special taxes for the mall, publication costs, and other costs incurred or to be incurred in connection with annual improvements to and operation and maintenance of pedestrian malls.

Sec. 30. Minnesota Statutes 1990, section 473F.01, is amended to read:

473F.01 [PURPOSE; USE OF PROCEEDS.]

*Subdivision 1.* [PURPOSE.] The legislature finds it desirable to improve the revenue raising and distribution system in the seven county Twin Cities area to accomplish the following objectives:

(1) To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;

(2) To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) To establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest; *and*

(6) To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved; ~~and~~

~~(7) To provide for the distribution to municipalities of additional revenues generated within the area or from outside sources pursuant to other legislation.~~

*Subd. 2. [USE OF PROCEEDS.] Except as provided in section 473F.08, subdivision 3a, the proceeds from the areawide tax imposed under this chapter must be used by a local governmental unit in the same manner and for the same purposes as the proceeds from other ad valorem taxes levied by the local governmental unit.*

Sec. 31. Minnesota Statutes 1990, section 473F.02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to under section 469.042 or 469.162, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; or (2) ~~which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 881, as amended, to the extent that such revenues are so treated in any year; or (3) which is exempt from taxation pursuant to under section 272.02:~~

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is ~~either used or zoned for use~~ for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Sec. 32. Minnesota Statutes 1990, section 473F.02, subdivision 8, is amended to read:

Subd. 8. "Municipality" means a city, town, or township located in whole or part within the area, but not the cities of New Prague or Northfield. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

*A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The metropolitan council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year.*

Sec. 33. Minnesota Statutes 1990, section 473F.02, subdivision 12, is amended to read:

Subd. 12. "Market value" of real *and personal* property within a municipality means the ~~"actual market value"~~ *assessor's estimated market value of all real and personal property, including the value of manufactured housing, within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads.* For purposes of sections 473F.01 to 473F.13, the commissioner of revenue shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.2131, subdivision 1, in the same manner and at the same times as are prescribed by the subdivision. The commissioner of revenue shall annually determine, for each municipality, information comparable to that required by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of revenue shall then compute the *equalized* market value of property within each municipality *using the aggregate sales ratios from the department of revenue's sales ratio study.*

Sec. 34. Minnesota Statutes 1990, section 473F.02, subdivision 13, is amended to read:

Subd. 13. "Valuation" means the market value of real *and personal* property within a municipality *as defined in subdivision 12.*

Sec. 35. Minnesota Statutes 1990, section 473F.05, is amended to read:  
473F.05 [GROSS NET TAX CAPACITY YEARS.]

On or before August 5 of each year, the assessors within each county in the area shall determine and certify to the county auditor the ~~gross net~~ tax capacity in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

Sec. 36. Minnesota Statutes 1990, section 473F.06, is amended to read:  
473F.06 [INCREASE IN GROSS NET TAX CAPACITY.]

On or before July 15 of each year, the auditor of each county in the area shall determine the amount, if any, by which the ~~gross net~~ tax capacity determined in the preceding year ~~pursuant to~~ *under* section 473F.05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the ~~gross net~~ tax capacity in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F.05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That

county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F.07. Notwithstanding any other provision of sections 473F.01 to 473F.13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to under section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136, the increase in its gross net tax capacity of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the gross net tax capacity of commercial-industrial property in that municipality in the 1989 assessment year following that in which such designation is terminated, rather than the gross net tax capacity of such property in 1971. The increase in gross total net tax capacity determined by this section shall be reduced by the amount of any decreases in the gross net tax capacity of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on May 1 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's gross net tax capacity under section 473F.05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher gross net tax capacity of the commercial-industrial property.

Sec. 37. Minnesota Statutes 1990, section 473F.07, is amended to read:

473F.07 [COMPUTATION OF AREAWIDE TAX BASE.]

Subdivision 1. Each county auditor shall certify the determinations pursuant to under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified pursuant to under section 473F.06, and divide that sum by 2-1/2. The resulting amount shall be known as the "areawide gross net tax capacity for . . . . . (year)."

Subd. 2. The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the second preceding year, the proportion of that population which resides within the area, the average fiscal capacity of all municipalities in the area for the preceding year, and the fiscal capacity of each municipality in the area for the preceding year.

Subd. 3. The administrative auditor shall determine, for each municipality, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year, and (c) two. The product shall be the areawide tax base distribution index for that municipality, provided that (a) if the product in the case of any municipality is less than its population, its index shall be increased to its population, and (b). If a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. The administrative auditor shall determine the proportion which

the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity, *provided that if the distribution net tax capacity for a municipality is less than 95 percent of the municipality's previous year distribution net tax capacity, and more than ten percent of the municipality's fiscal capacity consists of manufactured home property, the municipality's distribution net tax capacity will be increased to 95 percent of the previous year net tax capacity and the distribution net tax capacity of other municipalities in the area will be proportionately reduced.*

Subd. 5. The ~~product~~ result of the ~~multiplication~~ procedure prescribed by subdivision 4 shall be known as the "areawide ~~gross~~ net tax capacity for . . . . . (year) attributable to . . . . . (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15.

Sec. 38. Minnesota Statutes 1990, section 473F.08, subdivision 2, is amended to read:

Subd. 2. The net tax capacity of a governmental unit is its net tax capacity, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year ~~pursuant to section under sections 473F.06 in respect to that and 473F.07~~ for the municipality as the total preceding year's net tax capacity of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's net tax capacity of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide net tax capacity for the year attributable to that municipality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Sec. 39. Minnesota Statutes 1990, section 473F.08, subdivision 5, is amended to read:

Subd. 5. On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined ~~pursuant to~~ under subdivision 3, clause (a). The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide ~~gross~~ net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 40. Minnesota Statutes 1990, section 473F.08, subdivision 6, is amended to read:

Subd. 6. The areawide tax rate determined in accordance with subdivision 5 shall apply ~~in the taxation of~~ to each ~~item~~ of commercial-industrial property subject to taxation within a municipality, including property located within

any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined pursuant to section 473F.06 in respect to the municipality in which the property and 473F.07 is taxable bears to the amount determined pursuant to under section 473F.05. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the item.

Sec. 41. Minnesota Statutes 1990, section 473F.09, is amended to read:

473F.09 [ADJUSTMENTS IN DATES.]

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the gross net tax capacity of property is advanced to a date earlier than June 30, the dates specified in sections 473F.07 and 473F.10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

Sec. 42. Minnesota Statutes 1990, section 473F.13, subdivision 1, is amended to read:

Subdivision 1. If a qualifying municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the Minnesota municipal board, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue.

Sec. 43. Minnesota Statutes 1990, section 477A.014, subdivision 4, is amended to read:

Subd. 4. [COSTS BILLED TO COMMISSIONER OF REVENUE.] The commissioner of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state planning agency in the preparation of materials required by section 116K.04, subdivision 4, clause (10). ~~The commissioner of revenue shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund. The state auditor shall annually bill the commissioner of revenue for the costs of the services provided by the government information division and the parts of the constitutional office that are related to the government information function, not to exceed \$218,000. The commissioner of administration shall annually bill the commissioner of revenue for the costs of the local government records program and the inter-governmental information systems activity, not to exceed \$205,800. The commissioner of employee relations shall annually bill the commissioner of~~

*revenue for the costs of administering the local government pay equity function, not to exceed \$55,000.*

Sec. 44. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

*Subd. 5. [DEDUCTION FROM AID PAYMENTS.] The commissioner of revenue shall deduct the amounts certified under subdivision 4 from the aid payments to be made to appropriate local units of government in the next aid payment year. Amounts deducted must be credited to the general fund.*

Sec. 45. Minnesota Statutes 1990, section 515A.4-102, is amended to read:

515A.4-102 [DISCLOSURE STATEMENT; GENERAL PROVISIONS.]

A disclosure statement shall fully disclose:

(a) the name and principal address of the declarant and the address and the name, if any, and number, if available, of the condominium;

(b) a general description of the condominium; including without limitation the types and number of all buildings, units and amenities, and declarant's schedule of commencement and completion of construction thereof;

(c) the total number of additional units that may be included in the condominium and whether the declarant intends to rent or market blocks of units to investors;

(d) a copy of the declaration other than the condominium plat, condominium plat for the particular unit, bylaws, articles of incorporation, rules and regulations, and any contracts and leases to which the unit owners or association will be subject and which may not be canceled upon 30 days notice by the association;

(e) any current balance sheet and a projected budget for the association for the first full or partial year during which a unit is conveyed to a unit owner other than a declarant and any projected budget for future years which the association has adopted, and a statement of who prepared the balance sheet, projected budget or budget. The budget or projected budget shall include, without limitation:

(1) a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

(2) a statement of any other reserves;

(3) the projected common expense assessment by category of expenditures for the association;

(4) the projected monthly common expense assessment for each type of unit;

(f) any supplies and services not reflected in the budget or projected budget which the declarant provides, or expenses which the declarant pays, and which the declarant expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit;

(g) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;



(h) a description of any liens, defects, or encumbrances on or affecting the title to the condominium after the contemplated conveyance;

(i) a description of any financing offered by the declarant;

(j) the terms of any warranties provided by the declarant, including the warranties set forth in sections 515A.4-111 and 515A.4-112, and limitations imposed by the declarant on the enforcement thereof;

(k) a statement that:

(1) within 15 days after receipt of a disclosure statement, a purchaser may, prior to conveyance, cancel any purchase agreement of a unit from a declarant;

(2) if a declarant fails to provide a disclosure statement to a purchaser before conveying a unit, that purchaser may recover from the declarant an amount not to exceed five percent of the sales price of the unit; and

(3) if a purchaser received the disclosure statement more than 15 days before signing a purchase agreement, the purchaser cannot cancel the agreement;

(l) a statement disclosing, to the extent of the actual knowledge of the declarant or an affiliate of the declarant after reasonable inquiry, any judgments against the association, the status of any pending suits to which the association is a party, and the status of any pending suits material to the condominium;

(m) a statement that any earnest money paid in connection with the purchase of a unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the purchase agreement pursuant to section 515A.4-106;

(n) a description of the insurance coverage to be provided for the benefit of unit owners;

(o) any current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the condominium; ~~and~~

(p) whether financial arrangements have been provided for completion of all improvements labeled "MUST BE BUILT" pursuant to section 515A.4-117 (Declarant's Obligation to Complete and Restore); *and*

*(q) a statement (1) that there are no delinquent taxes on the property or, if there are delinquent taxes on the property, the amount of the delinquent taxes and the length of the delinquency, and (2) that discloses the amount, if known, of taxes due in the current year.*

Sec. 46. Laws 1988, chapter 719, article 16, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

(1) snow and ice removal;

(2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;

(3) litter, poster, and handbill removal;

(4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, *parking facilities*, lighting, benches, chairs, tables,

telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, display cases, information booths, and banners;

(5) landscaping, planting, repair, maintenance, and care of trees, shrubs, bushes, flowers, grass, and other decorative materials;

(6) security personnel, equipment, and systems;

(7) approval and supervision of special activities;

(8) insurance; and

(9) administration, coordination, studies, and preparation of designs.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Sec. 47. Laws 1990, chapter 604, article 3, section 46, subdivision 1, is amended to read:

Subdivision 1. [LIMITED VALUATION INCREASE.] (a) Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the estimated market value of a manufactured home park, as defined in section 327.14, subdivision 3, and assessed under section 273.13, subdivision 25, for taxes levied in 1990, may not exceed 133-1/3 percent of its estimated market value for taxes levied in 1989 as limited by Laws 1989, First Special Session chapter 1, article 3, section 32, subdivision 1. The excess market value, including value added by the January 2, 1991, assessment, must be entered equally in the ~~next two succeeding~~ 1991 and 1992 assessment years.

(b) This subdivision does not apply to increases in value attributable to improvements made to the real estate since the January 2, 1989, assessment. It does not apply to property becoming subject to taxation since the January 2, 1989, assessment. The limitation in this subdivision applies to any increase in valuation imposed by the local boards of review under section 274.01, the county boards of equalization under section 274.13, and the state board of equalization and the commissioner of revenue under sections 270.11, 270.12, and 270.16.

Sec. 48. [CERTAIN COUNTIES; LOW-INCOME HOUSING.]

Subdivision 1. [LOW-INCOME HOUSING.] *In addition to the normal market value determination under Minnesota Statutes, section 273.11, in the case of Hennepin, Dakota, Ramsey, St. Louis, and Beltrami counties, a special market value for properties classified under section 273.13, subdivision 25, paragraph (c), clauses (1), item (ii), (3) and (4), the owners of which have applied to the assessor for treatment in the initial year under this subdivision, shall be determined as provided in this subdivision. If a limited dividend entity owns the property, it must include as the managing general partner a non-profit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and the limited partnership agreement must provide that the managing general partner has sufficient powers so that it materially participates in the management and control of the limited dividend entity. The value shall be determined by capitalizing the net operating income derived from actual restricted rents and standardized expenses which are from time to time determined by the housing finance agency for*

*similar projects. Net operating incomes must be greater than zero. The special market value shall be used to compute the taxes owing only if the entire structure is occupied by low-income, elderly, or handicapped persons or low- and moderate-income families as defined in the applicable laws. The manager of properties valued under this subdivision must demonstrate annually to the assessor that tax savings realized by use of this method of valuation have inured to the tenants. The tax savings must be used for reduced rents, improved maintenance, capital improvements, or capital reserves. Capital reserves must be in accordance with agreements approved by the governmental regulatory authority. After the first year, certification that the funds have been spent as required shall be made by the housing and redevelopment authority performing the financial audit or review on the property as required by the regulatory authority. A copy of the certification must be submitted to the assessor by May 30 of each year. If the assessor determines upon review of the certification that the benefit has not inured to the tenants, the property shall be subject to additional property taxes in the amount of triple the difference between the taxes determined in accordance with this subdivision and the amount of tax payable on the property if it were valued according to subdivision 1 and classified according to section 273.13, subdivision 25, paragraph (a) or (b), as appropriate for those years in which the benefit of the tax savings did not inure to the tenants.*

*Subd. 2. [EFFECTIVE DATE.] This section is effective only for taxes payable in 1992, 1993, and 1994 in any of the counties of Hennepin, Ramsey, Dakota, St. Louis, and Beltrami that approves it and complies with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 49. [SCHOOL DISTRICT NO. 625, REFERENDUM LEVIES.]**

*Subdivision 1. [LEVIED AGAINST MARKET VALUE; ONE YEAR DELAY.] Notwithstanding Minnesota Statutes, section 124A.03, subdivision 2a, if independent school district No. 625, St. Paul, approves a referendum levy, beginning with taxes payable in 1993, it shall be levied against the net tax capacity of all taxable property in the district.*

*Subd. 2. [APPROVAL.] Subdivision 1 is effective the day following approval by the governing body of independent school district No. 625, St. Paul, and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 50. [BUFFALO-RED RIVER WATERSHED DISTRICT; PAYMENT OF HOMESTEAD AND AGRICULTURAL CREDIT AID; APPROPRIATING MONEY.]**

*\$153,787 is appropriated from the general fund to the commissioner of revenue for distribution to the Buffalo-Red River watershed district as restoration of reduced homestead and agricultural credit aid for 1990.*

**Sec. 51. [RED LAKE WATERSHED DISTRICT; PAYMENT OF HOMESTEAD AND AGRICULTURAL CREDIT AID; APPROPRIATING MONEY.]**

*\$185,777 is appropriated from the general fund to the commissioner of revenue for distribution to the Red Lake watershed district as restoration of reduced homestead and agricultural credit aid for 1990.*

**Sec. 52. [LAKEFIELD; SCHOOL DISTRICT LEVY REFERENDUM.]**

*Independent school district No. 325, Lakefield, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November*

1991. *The referendum must be conducted by mail as provided in that section. Only one levy referendum may be conducted in 1991 by the district.*

Sec. 53. [MANKATO; SCHOOL DISTRICT LEVY REFERENDUM.]

*Independent school district No. 77, Mankato, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November 1991. The referendum must be conducted by mail as provided in that section. Only one such levy referendum may be conducted in 1991 by the district.*

Sec. 54. [WAYZATA; SCHOOL DISTRICT LEVY REFERENDUM.]

*Independent school district No. 284, Wayzata, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November 1991. The referendum must be conducted by mail as provided in that section. Only one levy referendum may be conducted in 1991 by the district.*

Sec. 55. [REPEALER.]

*Minnesota Statutes 1990, sections 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; and 473F.13, subdivisions 2 and 3, are repealed.*

Sec. 56. [APPLICABILITY.]

*Sections 30 to 42 and 55 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

Sec. 57. [EFFECTIVE DATE.]

*Sections 5 and 6 are effective for referenda held after November 1, 1992 for taxes payable in 1993 and thereafter.*

*Sections 2, 3, 10 to 24, 30 to 42, and 55 are effective for taxes levied in 1991, payable in 1992, and thereafter.*

*Sections 7 and 45 are effective July 1, 1991.*

*Sections 8 and 9 are effective for appeals filed after July 31, 1991.*

*Sections 25 and 26 are effective for taxes deemed delinquent after December 31, 1991.*

*Sections 1, 28, 29, 50, and 51 are effective the day following final enactment.*

*Sections 43 and 44 are effective for aids payable in 1991 and thereafter.*

*Section 46 is effective the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.*

*Section 47 is effective for the 1991 and 1992 assessment year.*

*Section 52 is effective the day after the governing body of independent school district No. 325, Lakefield, complies with Minnesota Statutes, section 645.021, subdivision 3.*

*Section 53 is effective the day after the governing body of independent school district No. 77, Mankato, complies with Minnesota Statutes, section 645.021, subdivision 3.*

*Section 54 is effective the day after the governing body of independent school district No. 284, Wayzata, complies with Minnesota Statutes, section 645.021, subdivision 3.*

ARTICLE 2  
PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes 1990, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1991 the class rate applied to class 3 utility real and personal property shall be 5.38 percent; the class rate applied to class 4e property and that portion of class 3 property with an actual net class rate of 2.3 percent shall be 2.4 percent; the class rates applied to class 2a agricultural homestead property excluding the house, garage, and one acre shall be .4 percent for the first \$100,000 of value reduced by the value of the house, garage, and one acre; 1.3 percent for the remaining value of the first 320 acres; and 1.7 percent for the remaining value of any acreage in excess of 320 acres; the class rate applied to class 2b property shall be 1.7 percent; the class rate applied to class 1b property shall be .4 percent; and the class rate for the portion of class 1 property and the house, garage, and one acre portion of class 2a property with a market value in excess of \$100,000 shall be 3.0 percent 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to non-commercial seasonal recreational residential property shall be 2.25 percent; and the class rates for the portion of class 1a and 1b property and class 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000; and for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. The reclassification of fraternity and sorority houses as class 4e shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991. The addition of class 4e property shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique

taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural

credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) *For aid payable in 1992, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b. For aid payable in 1993, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2, less any reductions in 1992 required under sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2. For aid payable in 1994 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2.*

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 2. Minnesota Statutes 1990, section 273.1398, subdivision 3, is amended to read:

Subd. 3. [DISPARITY REDUCTION AID.] (a) For taxes payable in 1990, and subsequent years, the amount of disparity aid originally certified for



each unique taxing jurisdiction for taxes payable in the prior year shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for taxes payable in the year for which aid is being computed, *provided that the class rates for the portion of class 1a and 1b property and class 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000*, to (2) its tax capacity using the class rates for taxes payable in the year prior to that for which aid is being computed, both based upon market values for taxes payable in the year prior to that for which aid is being computed. *For taxes payable in 1992 and subsequent years, the amount of disparity aid certified to each taxing jurisdiction shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2.*

(b) The disparity reduction aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.

Sec. 3. Minnesota Statutes 1990, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall determine the total education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under this section, local government aid to cities, counties, and towns paid under chapter 477A, and human services aids, including for aids paid in 1991 and thereafter, the amount paid under subdivision 5b, paid to counties for each taxing jurisdiction. The commissioner shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the commissioner will compute a gross local tax rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity under Minnesota Statutes 1988, section 273.13. For each unique taxing jurisdiction, a total gross local tax rate will be determined. This total gross local tax rate will be applied against the gross tax capacity of property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. An estimated credit amount will be determined for all qualifying parcels based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the local tax rates of all local governments levying taxes within the unique taxing jurisdiction in the following year. The commissioner shall certify the amounts of additional credits determined under this subdivision to the county auditor at the time provided in subdivision 6. *For aid payable in 1992 and subsequent years, the aid payable under this subdivision shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 7; 477A.013,*

*subdivision 9; and 477A.0135, subdivision 2.*

Sec. 4. Minnesota Statutes 1990, section 477A.011, subdivision 27, as amended by Laws 1991, chapter 2, article 8, section 2, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in 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 *originally certified* 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 4, subdivision 3, 6, and 7;~~ and the estimated taconite aids used to determine levy limits for taxes payable in 1991 under section 275.51, subdivision 3i.

Sec. 5. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

*Subd. 29. [ADJUSTED REVENUE BASE.] "Adjusted revenue base" means revenue base as defined in subdivision 27 less the special levy under section 275.50, subdivision 5, paragraph (a).*

Sec. 6. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

*Subd. 31. [1992 REDUCTION PERCENTAGE.] "1992 reduction percentage" means the equal percentage reduction in each county, city, and special taxing district adjusted revenue base that is necessary to reduce 1992 aid payments under sections 477A.012, subdivisions 1, 3, and 4; 477A.013, subdivisions 3 and 5; 273.1398, subdivisions 2, 3, and 5, by a combined amount of \$51,000,000. Hospital districts are not considered special taxing districts for purposes of this subdivision.*

Sec. 7. Minnesota Statutes 1990, section 477A.012, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 4, 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 subdivisions 6 and 7,~~ in calendar ~~year years~~ 1991 and ~~subsequent years~~ 1992, 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. *In calendar year 1993 and subsequent years, each county government shall receive a distribution equal to the aid amount it received under this subdivision in 1992 less the reductions made under subdivision 7.*

Sec. 8. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 7. [1992 COUNTY AID ADJUSTMENT.] A county's 1992 payment of local government aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a county's local government aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.*

Sec. 9. Minnesota Statutes 1990, section 477A.013, subdivision 3, as amended by Laws 1991, chapter 2, article 8, section 7, 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~~ 1992, 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~~ subdivisions 8 and 9. *In 1993 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in 1992 less the amounts deducted in 1992 under subdivision 9.*

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

*Subd. 9. [1992 CITY AID ADJUSTMENT.] A city's or town's 1992 payment of local government aid, equalization aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a city's or town's local government aid; then, if necessary, its equalization aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.*

Sec. 11. Laws 1991, chapter 2, article 8, section 9, is amended to read:

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

*Subdivision 1. [1991 SPECIAL TAXING DISTRICTS AID ADJUSTMENT.] A special taxing district's July 20, 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 July 20, 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The July 20, 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.*

*Subd. 2. [1992 SPECIAL TAXING DISTRICT AID ADJUSTMENT.] The 1992 payment of homestead and agricultural credit aid and disparity reduction aid to each special taxing district, excluding hospital districts, is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount. If the aid reduction is greater than the homestead and agricultural credit aid, the remaining amount is then applied to the special taxing district's disparity reduction aid.*

Sec. 12. Minnesota Statutes 1990, section 477A.014, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 10, 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 statewide 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. The commissioner shall reduce the*

*county, city, and special taxing district aids for 1992 and subsequent years as specified in sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2.*

Sec. 13. Minnesota Statutes 1990, section 477A.015, is amended to read:  
477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ 31 annually.

The commissioner may pay all or part of the payment due on December ~~15~~ 31 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 14. [REPEALER.]

*Laws 1990, chapter 604, article 4, section 19, is repealed.*

Sec. 15. [EFFECTIVE DATES.]

*Section 13 is effective for aids payable in 1991. The remainder of this article is effective for aids payable in 1992 and subsequent years.*

### ARTICLE 3

#### LEVY LIMITS

Section 1. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

*Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991, payable in 1992 only, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools, (2) to teach drug abuse resistance education curricula in the elementary schools, and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter 152. The school district must initially attempt to contract for these services with the police department of each city or the sheriff department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.*

Sec. 2. Minnesota Statutes 1990, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied

in 1990 payable in 1991 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (4) (k), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (4) (k), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (4) (k), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to under sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance

with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(h) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to *under* section 270.16;

(i) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5, *provided that an appeal for the levy under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3j*;

(j) pay the cost of hospital care under section 261.21;

(k) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3 3j;

(l) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3 3j;

(m) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3 3j. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(n) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in

the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year (a). This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) (o) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (e), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14;

(u) (p) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs.

(iii) If the amount levied under this paragraph (u) clause (ii) in 1989 for public assistance programs is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied under clause (ii) in 1989 for public assistance programs is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause



(3);

(w) (g) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county is operating under a department of corrections directive that limits the capacity of a county jail as authorized in section 641.01 or 641.262, or a correctional facility as defined in section 241.021, subdivision 1, paragraph (5);

(x) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(y) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1989 and 1990 for the purpose of grasshopper control; and, (r) for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control;

(z) (s) for a county, provide an amount needed to fund comprehensive local water implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

A county may levy an amount not to exceed the water implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water implementation local tax rate shall be set by August 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales ratio study. That rate shall be the rate, rounded up to the nearest one-thousandth of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount specified in this clause. The water implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,500,000 and the rate for taxes levied in 1991 shall be the rate that raises \$1,500,000. A county must levy a tax at the rate established under this clause to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5;

(aa) (t) pay the unreimbursed county costs for court-ordered family-based services and court-ordered out-of-home placement for children to the extent that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed

to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) ~~or (u)~~ must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; ~~and~~

~~(bb) (u) pay the amounts allowed as special levies under Laws 1989, First Special Session chapter 1, article 5, section 50, and subdivisions subdivision 5a and 5b;~~

*(v) for taxes levied in 1991 only by a county, pay the costs reasonably expected to be incurred in 1992 related to the redistricting of election districts and establishment of election precincts under sections 204B.135 and 204B.14, the notice required by section 204B.14, subdivision 4, and the reassignment of voters in the statewide registration system, not to exceed \$1 per capita, provided that the county shall distribute a portion of the amount levied under this clause equal to 25 cents times the population of the city to all cities within the county with a population of 30,000 or greater;*

*(w) for taxes levied in 1991, payable in 1992 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids payable in 1992 under section 9 to a county located in the third or sixth judicial district for public defense services in juvenile and misdemeanor cases; and*

*(x) for taxes levied in 1991, payable in 1992 only, provide an amount equal to 50 percent of the estimated amount of reduction in aids payable in 1992 under section 9, to a county for the cost of jury fees.*

Sec. 3. 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;

(10) *Itasca county for economic development under Laws 1989, First Special Session chapter 1, article 5, section 50, as amended by section 10;*

(11) *Pope county for solid waste management as provided in section 13;*

(12) *Swift county for social services as provided in section 14;*

(13) *Mille Lacs county for social services as provided in section 15;*

(14) *Coon Creek watershed as provided in section 17;*

(15) *Kanaranzi-Little Rock watershed district as provided in section 18;*  
and

(16) *Great River Regional Library as provided in section 20.*

Sec. 4. Minnesota Statutes 1990, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) ~~The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 with additions and subtractions as specified in paragraphs (b) and (c).~~

(b) ~~The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.~~

(c) ~~The amounts to be subtracted from the actual 1988 levy are (1) any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.~~

(d) ~~For taxes levied in 1989/1991 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year; provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.~~

(e) ~~For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the~~

costs of law clerks in the county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) (b) For taxes levied in 1989 by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988. For taxes levied in 1990 by a county that is located in the eighth judicial district, the levy limit base determined under Minnesota Statutes 1990, section 275.51, subdivision 3f, paragraphs (d) and (e) is reduced by the product of (1) 103 percent of one-half of the fees collected by the courts in the county during calendar year 1988, and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) (c) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the

~~adjustment under section 275.51, subdivision 3j; or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.~~

*(d) For taxes levied in 1991 in a county that is located in the third or sixth judicial districts, the levy limit base shall be reduced by an amount equal to the reduction in aids payable in 1992 for the cost of public defense services in juvenile and misdemeanor cases in the county as certified by the board of public defense under section 9.*

*(e) For taxes levied in 1991, the county's levy limit base shall be reduced by an amount equal to the reduction in aids payable in 1992 for the cost in the county of jury fees as certified by the supreme court under section 9.*

*(f) For taxes levied in 1991, the levy limit base shall be increased by the amounts levied in 1990 under Minnesota Statutes 1990, section 275.50, subdivision 5, clauses (h), (q), (v), and (x).*

Sec. 5. Minnesota Statutes 1990, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in ~~1989~~ 1991 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to ~~under~~ subdivision 3f, increased by:

(a) ~~three percent for taxes levied in 1989 and subsequent years three percent for taxes levied in 1991 and subsequent years; and~~

(b) a percentage equal to ~~(1) one-half of the greater of the percentage increases in population or in number of households, if any, for cities and towns and (2) the lesser of the percentage increase in population or the number of households, if any, for counties, using figures derived pursuant to subdivision 6;~~

~~(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending four working days after December 20 of the levy year under section 275.58, subdivisions 1 and 2;~~

~~(d) for levy year 1989, for a county which incurred costs since October 1978, for the litigation of federal land claims under United States Code, title 18, section 1162; United States Code, title 25, section 331; and United States Code, title 28, section 1360; an amount of up to the actual costs incurred by the county for this purpose. This adjustment shall not exceed \$250,000;~~

~~(e) for levy year 1989, an amount of \$1,724,000 for Ramsey county for implementing the local government pay equity act under sections 471.991 to 471.999. Furthermore, in levy years 1990 and 1991, an additional amount of \$862,000 shall be added to Ramsey county's adjusted levy limit base under this clause for each of the two years; and~~

~~(f) for levy year 1989, an amount equal to the decrease in a county's 50 percent share of the powerline taxes extended between taxes payable years 1988 and 1989 under section 273.42, subdivision 1. The adjustment shall be determined by the department of revenue.~~

For taxes levied in 1989, the adjusted levy limit base is reduced by an amount equal to the estimated amount of the reduction in aids to a county

under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990.

For taxes levied in 1990, the adjusted levy limit base of a city is reduced by an amount equal to the percent of the city's revenue base used in determining aid reductions under section 477A.013, subdivision 7. For taxes levied in 1990, the adjusted levy limit base of a county is reduced by one-half of the amount equal to the percent of the county's revenue base used in determining aid reductions under section 477A.012, subdivision 5.

*For taxes levied in 1991, the adjusted levy limit base is reduced by an amount equal to the amount of aid reduction in article 2, sections 8, 10, and 11.*

Sec. 6. Minnesota Statutes 1990, section 275.51, subdivision 3j, is amended to read:

Subd. 3j. [APPEALS.] (a) A county may appeal to the commissioner of revenue for an adjustment in its levy limit base. If the county can provide evidence satisfactory to the commissioner that its levy for taxes payable in 1989 under Minnesota Statutes 1988, section 275.50, subdivision 5, paragraph (a), included a levy for the cost of administration of the programs listed in that paragraph, the commissioner may permit the county to increase its levy limit base under this section by the amount determined by the commissioner to have been levied for that purpose, provided that the total adjustment shall not be in excess of three percent of the total expense for income maintenance programs within the county. The commissioner's decision is final.

(b) A governmental subdivision subject to the limitations in this section may appeal to the commissioner of revenue for authorization to levy for the special levies as contained in section 275.50, subdivision 5, clauses (f), (m), and (n) (i), (k), (l), and (m). If the governmental subdivision can provide evidence satisfactory to the commissioner that it incurred costs for the specified purposes of those levies, the commissioner may allow the governmental subdivision to levy under section 275.50, subdivision 5, clause (f), (m), or (n) (i), (k), (l), or (m), by the amount determined by the commissioner. The commissioner's decision is final.

(c) A county may appeal to the commissioner of revenue for an adjustment to its levy limit base for taxes levied in 1989. If the county can provide evidence satisfactory to the commissioner that the percentage adjustments to the costs, fees, or fines described in subdivision 3f, paragraph (e) or (f), do not provide accurate adjustments for that county, the commissioner may permit the county to increase its levy limit base by the amount determined by the commissioner. The commissioner's decision is final.

(d) A county may appeal to the commissioner of revenue for an increase in its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), for the portion of the amount of its payable 1989 special levy under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for the income maintenance programs that was actually used to finance social services and social services administration subject to the 18 percent limit under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for payable 1989. If the county can provide evidence satisfactory to the commissioner in support of this claim, the commissioner may permit the county to increase its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), in the amount determined by the commissioner. The commissioner's decision is final.

(e) A county may appeal to the commissioner of revenue for an adjustment in its special levy for 1990 under section 275.50, subdivision 5, clause (u), item (ii), if the difference between the county share of costs not reimbursed by the state or federal government of payments made in 1989 to or on behalf of recipients of aid under any public assistance program authorized by law and the amount levied in 1988 to pay those costs is greater than 30 percent of the 1989 costs. The adjustment may not exceed the amount of the difference between the county share of these costs and the amount levied in 1988 to pay these costs.

Sec. 7. 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 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. *For taxes levied in 1991, the amount levied for light rail transit purposes under this subdivision shall not exceed 75 percent of the amount levied in 1990 for light rail transit purposes under this subdivision.*

Sec. 8. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 9. [LIGHT RAIL TRANSIT OPERATING COSTS.] (a) *Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the applicant must provide to the metropolitan council estimates of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The information provided to the council must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility.*

(b) *The council must review and evaluate the information provided under*

*paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.*

*(c) The council must present its evaluation to the transportation and taxes committees of the house and senate, to the appropriations committee of the house and the finance committee of the senate, to the local government and metropolitan affairs committee of the house, and to the metropolitan affairs committee of the senate.*

Sec. 9. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

*Subd. 8. [AID OFFSET FOR 1992 COURT AND PUBLIC DEFENDER COSTS.] (a) There shall be deducted from the payment to a county under this section an amount equal to the cost of jury fees and, in the case of a county located in the third or sixth judicial districts, of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the fiscal year beginning on July 1, 1992. The amount of the deduction is computed as provided in this subdivision.*

*(b) By June 30, 1991, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the cost for each county of jury fees during the fiscal year beginning on July 1, 1992.*

*(c) By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third or sixth judicial district of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third or sixth judicial district during the fiscal year beginning on July 1, 1992.*

*(d) One-half of the amount computed under paragraphs (b) and (c) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1992 and each subsequent year. If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3.*

Sec. 10. Laws 1989, First Special session chapter 1, article 5, section 50, is amended to read:

Sec. 50. [LEVY LIMIT EXCEPTION.]

For taxes levied in 1989 ~~and~~, 1990, ~~and~~ 1991 only, payable in 1990 ~~and~~, 1991, ~~and~~ 1992 only, a levy by the Itasca county board under Laws 1988, chapter 517, is not subject to the levy limitations of Minnesota Statutes, sections 275.50 to 275.56, or other law.

Sec. 11. [BECKER COUNTY; LEVY LIMIT BASE ADJUSTMENT.]

*For taxes payable in 1992, the levy limit base for Becker county computed under Minnesota Statutes, section 275.51, subdivision 3f, shall be increased by an amount of \$900,000, which is equal to expenditures that Becker county made from reserve funds in calendar years 1987 and 1988, including federal revenue sharing funds.*

Sec. 12. [BECKER COUNTY; DELAY OF EXCESS LEVY PENALTY FROM TAXES PAYABLE IN 1990.]



*Notwithstanding Minnesota Statutes, section 275.51, subdivision 4, 275.55, subdivision 1, or any other law, the penalty imposed on Becker county for exceeding its levy limitation for taxes payable in 1990 is delayed until calendar year 1992. If the actual amount levied by Becker county for taxes payable in 1992 is less than its levy limitation for taxes payable in 1992 as adjusted by section 11, the commissioner of revenue shall decrease the 1990 excess levy subject to a penalty by the difference between the payable 1992 levy limitation and the payable 1992 actual levy, up to the full amount of the excess levy.*

**Sec. 13. [POPE COUNTY; SOLID WASTE MANAGEMENT LEVY.]**

*For taxes levied in 1990, payable in 1991, and thereafter, Pope county may levy the amount necessary to pay the principal and interest on department of energy and economic development loans made to the Pope-Douglas solid waste board on June 10, 1985, and June 15, 1986, for solid waste management purposes. The levy must be made as provided under Minnesota Statutes, section 400.11.*

*The levy authority under this section is a special levy and is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56.*

*The levy authority under this section expires when the principal and interest has been paid.*

**Sec. 14. [INCREASE IN SOCIAL SERVICES SPECIAL LEVY FOR SWIFT COUNTY.]**

*Subdivision 1. The amount levied by Swift county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount levied under that clause in the previous year, plus (2) the amount levied under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (aa), in the previous year, plus (3) \$250,000.*

*Subd. 2. Subdivision 1 is effective the day following approval by the Swift county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 15. [INCREASE IN SOCIAL SERVICES SPECIAL LEVY FOR MILLE LACS COUNTY.]**

*Subdivision 1. The amount levied by Mille Lacs county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount levied under this clause in the previous year, plus (2) the amount levied under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (aa), in the previous year, plus (3) the amount levied by Mille Lacs county for social services in 1990, payable in 1991, under Laws 1990, chapter 604, article 3, section 54.*

*Subd. 2. Subdivision 1 is effective the day following approval by the Mille Lacs county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 16. [GOODHUE COUNTY; EXCESS LEVY PENALTY ABATEMENT.]**

*The excess levy amount of \$500,000, which Goodhue county levied in 1990, for taxes payable in 1991, shall be exempt from the penalties imposed under sections 275.51, subdivision 4, and 275.55.*

Sec. 17. [COON CREEK WATERSHED DISTRICT; WATER MAINTENANCE AND REPAIR FUND.]

*Subdivision 1. [CREATION OF FUNDS; TAX LEVY.] Notwithstanding section 22, the Coon Creek watershed district may, in addition to its other powers, establish a water maintenance and repair fund. The fund must be kept distinct from all other funds of the district. The fund must be maintained by an annual ad valorem tax levy on the net tax capacity of all taxable property within the Coon Creek watershed district sufficient to raise not more than \$30,000 in taxes payable in 1992, and not more than \$30,000 in each year thereafter. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by the levy for the fund for the ensuing year. This amount must be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 103D.915, in addition to any other money levied, collected, and distributed to the district.*

*Subd. 2. [PURPOSE OF FUND.] The water maintenance and repair fund may be used for maintenance, repair, restoration, upkeep, and rehabilitation of public ditches, drains, dams, sewers, rivers, streams, watercourses, and water bodies, natural or artificial, lying wholly or partly within the district.*

*Subd. 3. [WORKS; MUNICIPALITIES.] Works to be undertaken and paid for from the water maintenance and repair fund must be ordered by the board of managers of the district. Before the commencement of works is ordered, affected municipalities must be notified in writing by the district of the proposed works and estimated costs. Within 30 days following receipt of the written notice, an affected municipality may notify the district in writing that it will perform the works ordered by the district. If the municipality undertakes the works, it must be paid by the district from the water maintenance and repair fund. If the municipality fails to perform the works, the district may have the works performed in any other manner authorized by law.*

Sec. 18. [TAX LEVY; KANARANZI-LITTLE ROCK WATERSHED DISTRICT.]

*Notwithstanding section 22 and in addition to the levy authorized in Minnesota Statutes, section 103D.905, subdivision 3, and Laws 1989, chapter 275, the Kanaranzi-Little Rock watershed district administrative fund under Minnesota Statutes, section 103D.905 consists of an additional levy for the costs of administration of the PL-566 Upland Conservation Program. The levy must be a percentage on the net tax capacity of all taxable property within the Kanaranzi-Little Rock watershed district sufficient to raise not more than \$30,000 for taxes payable in 1992, and not more than \$30,000 in each year thereafter. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by the levy for the fund for the ensuing year. This amount must be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 103D.915, in addition to any other money levied, collected, and distributed to the district.*

Sec. 19. [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

*(a) By January 1, 1993, the regional transit board and the commissioner of transportation shall, in consultation with the affected regional rail authorities, prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted by the board and the commissioner. In reviewing the application the council must consider*

*the information submitted to it under section 473.3994, subdivision 9. The board and the commissioner must consult with the council in preparing the application. The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.*

*(b) Until the application described in paragraph (a) of this section is submitted, no political subdivision in the metropolitan area may on its own seek federal assistance for light rail transit planning or construction.*

**Sec. 20. [GREAT RIVER REGIONAL LIBRARY SPECIAL LEVY.]**

*The amount levied in 1991, payable in 1992, by member local governments of the Great River Regional Library under section 275.50, subdivision 5, clause (m), may be increased by an additional 2 percent over the amount authorized in that clause if the city library board of the city of Paynesville or the city of Staples vote by August 1, 1991, to join that regional library system.*

**Sec. 21. [AUTHORITY TO TRANSFER LIGHT RAIL MONEY.]**

*Notwithstanding any law to the contrary, a metropolitan county regional railroad authority may transfer any available money of the authority, including money in capital accounts, to its county to be expended to meet social service costs during 1991. The authority under this section to transfer a regional railroad authority's levy applies only during calendar year 1991.*

**Sec. 22. [SPECIAL TAXING DISTRICTS 1992 LEVY LIMITS.]**

*Notwithstanding any other general or special law or any charter provision, for taxes levied in 1991, payable in 1992 only, the amount levied by a special taxing district for nondebt purposes is limited to (1) the amount levied by the special taxing district in 1990 for nondebt purposes, increased by (2) three percent. For purposes of this section, the commissioner of revenue shall define "special taxing district" and "nondebt purposes."*

**Sec. 23. [SPECIAL SERVICE DISTRICT; CITY OF CROOKSTON.]**

*Subdivision 1. [SPECIAL SERVICES DEFINED.] For purposes of this section, "special services" means all services rendered or contracted for by the city of Crookston, including, but not limited to:*

*(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;*

*(2) parking services rendered or contracted for by the city; and*

*(3) any other service or improvement provided by the city or development authority that is authorized by law or charter.*

*Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] The governing body of the city of Crookston may adopt an ordinance establishing a special service district to be operated by the city of Crookston. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.*

*Subd. 3. [LOCAL APPROVAL.] This section is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Crookston.*

*Subd. 4. [LOCAL APPROVAL; EFFECTIVE DATE.] Subdivisions 1 to 3 are effective the day after approval by the governing body of the city of*

*Crookston and its compliance with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 24. [APPLICATION.]

*Sections 8, 19, and 21 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

Sec. 25. [EFFECTIVE DATE.]

*Sections 1 to 8, 17, and 18 are effective for taxes levied in 1991, payable in 1992, and thereafter. That portion of section 9 relating to the third and sixth judicial districts' juvenile and misdemeanor public defender costs is effective for aids payable in 1992 and subsequent years, if a law providing for the state assumption of these costs is enacted. That portion of section 9 relating to the cost of jury fees is effective for aids payable in 1992 and subsequent years, if a law providing for the state assumption of jury fees is enacted. Section 10 is effective for taxes payable in 1992. Sections 11 and 12 are effective the day after local approval by the Becker county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.*

#### ARTICLE 4

#### TRUTH IN TAXATION

Section 1. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the *current budget and proposed property tax levy*. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. ~~It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.~~

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the ~~second previous current~~ school year to the immediately ~~prior following~~ school year as determined by the

commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

*For notices which are not parcel-specific, the notice must also state a total percentage increase or decrease in the proposed levy, relative to the actual property tax levy for taxes payable in the current year for the county, city or town, and school district. The county auditor shall compute the total percentage increase or decrease as an average percentage change weighted in proportion to each taxing jurisdiction's proportion of the total levy.*

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. *In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and*

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

*(g) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.*

*(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:*

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 13 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 2. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, a property tax levy to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point 14-point. The text of the advertisement must be no smaller than 18-point 12-point, except that the property tax amounts and percentages may be in 14-point 10-point type.

For a city that has a population of 2,500 or more, a county or a school district, the advertisement must be at least one-quarter page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30-point. The text of the advertisement must be no smaller than 22-point, except that the property tax amounts and percentages may be in 14-point type.

The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to the current budget hearings or to adoption of a budget in regard to proposed property taxes:

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of . . . . .

The governing body of . . . . . will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199\_\_ / school district services that will be provided in 199\_\_ and 199\_\_).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199\_ if the budget now being considered is approved.

199_	Proposed 199_	199_ Increase
Property Taxes	Property Taxes	or Decrease
\$ . . . . .	\$ . . . . .	. . . . . %

**NOTICE OF PUBLIC HEARING:**

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes *or in the case of a school district, its current budget and proposed property taxes, payable in the following year.* The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

*(c) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).*

*(d) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 116K.04, subdivision 4.*

Sec. 3. 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 *review its current budget and* 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, 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 of a school ~~districts~~ district, shall adopt its final property tax levy prior to adopting its final budget.

*If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.*

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. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective for taxes levied in 1991, payable in 1992, and thereafter.*



## ARTICLE 5

## INCOME TAX AND FEDERAL UPDATE

## 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 ensure 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 270A.03, subdivision 7, is amended to read:

*Subd. 7. "Refund" means an individual income tax refund or political contribution refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.*

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

Sec. 3. Minnesota Statutes 1990, section 289A.12, is amended by adding a subdivision to read:

*Subd. 14. [REGULATED INVESTMENT COMPANIES; REPORTING EXEMPT-INTEREST DIVIDENDS.] (a) A regulated investment company paying \$10 or more in exempt-interest dividends to an individual who is a resident of Minnesota must make a return indicating the amount of the exempt-interest dividends, the name, address, and social security number of the recipient, and any other information that the commissioner specifies. A copy of the return must be provided to the shareholder and the commissioner no later than 30 days after the close of the taxable year. The copy of the return provided to the shareholder must include a clear statement, in the form prescribed by the commissioner, that the exempt-interest dividends must be included in the computation of Minnesota taxable income. The commissioner may require regulated investment companies with 500 or more Minnesota resident shareholders to file returns on magnetic media in a format and form prescribed by the commissioner.*

*(b) This subdivision applies to regulated investment companies required to register under chapter 80A.*

*(c) For purposes of this subdivision, the following definitions apply.*

*(1) "Exempt-interest dividends" mean exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code of 1986, as amended through December 31, 1990, but does not include the portion of*

*exempt-interest dividends that are not required to be added to federal taxable income under section 290.01, subdivision 19a, clause (1)(ii).*

(2) "Regulated investment company" means regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990, or a fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING RETURNS, ENTERTAINER WITHHOLDING RETURNS, RETURNS FOR WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING RETURNS FROM PARTNERSHIPS AND ~~SMALL BUSINESS S CORPORATIONS.~~] Withholding returns are due on or before the last day of the month following the close of the quarterly period. However, if the return shows timely deposits in full payment of the taxes due for that period, the return may be filed on or before the tenth day of the second calendar month following the period. An employer, in preparing a quarterly return, may take credit for monthly deposits previously made for that quarter. Entertainer withholding tax returns are due within 30 days after each performance. Returns for withholding from payments to out-of-state contractors are due within 30 days after the payment to the contractor. Returns for withholding by partnerships are due on or before the due date specified for filing partnership returns. Returns for withholding by ~~small business S corporations~~ are due on or before the due date specified for filing corporate franchise tax returns.

Sec. 5. Minnesota Statutes 1990, section 289A.19, subdivision 1, is amended to read:

Subdivision 1. [~~INDIVIDUAL INCOME, FIDUCIARY INCOME, ENTERTAINMENT TAX, AND INFORMATION RETURNS.~~] When, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing ~~individual and fiduciary income tax returns, entertainment tax returns, and information returns~~ for not more than six months. If an extension to file the federal ~~individual or fiduciary income tax return or information return~~ has been granted under section 6081 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for filing the state return is extended for that period. The commissioner may require the taxpayer to file a tentative return when the regularly required return is due, and to pay a tax on the basis of the tentative return at the times required for the payment of taxes on the basis of the regularly required return from the taxpayer.

Sec. 6. Minnesota Statutes 1990, section 289A.20, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT OF FRANCHISE TAX ON LIFO RECAPTURE.] *If a corporation is subject to LIFO recapture under section 1363(d) of the Internal Revenue Code of 1986, as amended through December 31, 1990, any increase in the tax imposed by section 290.06, subdivision 1, by reason of the inclusion of the LIFO recapture amount in its income is payable in four equal installments.*

*The first installment must be paid on or before the due date, determined without regard to extensions, for filing the return for the first taxable year for which the corporation was subject to the LIFO recapture. The three*

*succeeding installments must be paid on or before the due date, determined without regard to extensions, for filing the corporations's return for the three succeeding taxable years.*

*For purposes of computing interest on underpayments, the last three installments must not be considered underpayments until after the payment due date specified in this subdivision.*

Sec. 7. Minnesota Statutes 1990, section 289A.30, subdivision 1, is amended to read:

Subdivision 1. [~~INDIVIDUAL AND FIDUCIARY INCOME, CORPORATE FRANCHISE TAX.~~] Where good cause exists, the commissioner may extend the time for payment of the amount determined as ~~an individual or a fiduciary income tax or corporate franchise tax~~ by the taxpayer, or an amount determined as a deficiency, for a period of not more than six months from the date prescribed for the payment of the tax.

Sec. 8. Minnesota Statutes 1990, section 289A.38, subdivision 9, is amended to read:

Subd. 9. [REPORT MADE OF CHANGE OR CORRECTION OF FEDERAL RETURN.] If a taxpayer is required to make a report under subdivision 7, and does report the change or files a copy of the amended return, the commissioner may recompute and reassess the tax due, including a refund (1) within one year after the report or amended return is filed with the commissioner, notwithstanding any period of limitations to the contrary, or (2) within any other applicable period stated in this section, whichever period is longer. The period provided for the carryback of any amount of loss or credit is also extended as provided in this subdivision, notwithstanding any law to the contrary. *If the commissioner has completed a field audit of the taxpayer, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, the additional tax due or refund is limited to only those changes that are required to be made to the return which relate to the changes made on the federal return. This subdivision does not apply to sales and use tax.*

*For purposes of this subdivision and section 289A.42, subdivision 2, a "field audit" is the physical presence of examiners in the taxpayer's or taxpayer's representative's office conducting an examination of the taxpayer with the intention of issuing an assessment or notice of change in tax or which results in the issuing of an assessment or notice of change in tax. The examination may include inspecting a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.*

Sec. 9. Minnesota Statutes 1990, section 289A.38, subdivision 10, is amended to read:

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of this chapter, if a taxpayer whose ~~gross net~~ income is determined under section 290.01, ~~subdivisions 20 and 20e~~ subdivision 19, omits from income an amount that will under the Internal Revenue Code of 1986, as amended through December 31, 1989, extend the statute of limitations for the assessment of federal income taxes, or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting in adjustments by the Internal Revenue Service, then the period of assessment and determination of tax

will be that under the Internal Revenue Code of 1986, as amended through December 31, 1989. When a change is made to federal income during the extended time provided under this subdivision, the provisions under subdivisions 7 to 9 regarding additional extensions apply.

Sec. 10. Minnesota Statutes 1990, section 289A.42, subdivision 2, is amended to read:

Subd. 2. [FEDERAL EXTENSIONS.] *When a taxpayer who consents to an extension of time for the assessment of federal income taxes must notify the commissioner within 90 days of the execution of the consent, the period in which the commissioner may recompute the tax is also extended, notwithstanding any period of limitations to the contrary, as follows:*

(1) for the periods provided in section 289A.38, subdivisions 8 and 9;

(2) for six months following the expiration of the extended federal period of limitations when no change is made by the federal authority. *If no change is made by the federal authority, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, and if the commissioner has completed a field audit of the taxpayer, no additional changes resulting in additional tax due or a refund may be made. For purposes of this subdivision, "field audit" has the meaning given it in section 289A.38, subdivision 9.*

Sec. 11. Minnesota Statutes 1990, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding or, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. *The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.*

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need

not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

Sec. 12. Minnesota Statutes 1990, section 289A.60, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return *other than an income tax return of an individual*, within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

*If a taxpayer fails to file an individual income tax return within six months after the date prescribed for filing of the return, a penalty of ten percent of the amount of tax not paid by the end of that six-month period is added to the tax.*

Sec. 13. Minnesota Statutes 1990, section 289A.60, subdivision 12, is amended to read:

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.]

(a) If the commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.

(b) If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(c) An owner or managing agent who knowingly fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(d) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the

owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. *An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.*

~~(e) A claim filed after the original or extended due date will be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent, which may be canceled or reduced by the commissioner if the delinquency is due to reasonable cause. In any event, No claim is allowed if the initial claim is filed more than one year after the original due date for filing the claim.~~

Sec. 14. 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, 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, *and the provisions of section 11702 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, 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. 15. 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 under section 68 of the Internal Revenue Code of 1986, income taxes is 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; and

(4) *the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729.*

Sec. 16. 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	
Beginning After	Percentage
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. 17. Minnesota Statutes 1990, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$75,500, but not over \$165,000	0.5 percent of the excess over \$75,500
over \$165,000	\$447.50

- (1) On the first \$19,910, 6 percent;
- (2) All over \$19,910, but not over \$79,120, 8 percent;
- (3) All over \$79,120, but not over \$100,000, 8.5 percent;
- (4) All over \$100,000, 9 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts. ~~In the case of married individuals filing separately, the additional 0.5 percent tax provided in this subdivision shall be applied to taxable income over \$37,750, but not over \$127,500.~~

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent of the excess over \$13,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$42,700, but not over \$93,000	0.5 percent of the excess over \$42,700
over \$93,000	\$251.50

- (1) On the first \$13,620, 6 percent;

- (2) On all over \$13,620, but not over \$44,750, 8 percent;  
 (3) On all over \$44,750, but not over \$56,560, 8.5 percent;  
 (4) On all over \$56,560, 9 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent of the excess over \$16,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$64,300, but not over \$135,000	0.5 percent of the excess over \$64,300
over \$135,000	\$353.50

- (1) On the first \$16,770, 6 percent;  
 (2) On all over \$16,770, but not over \$67,390, 8 percent;  
 (3) On all over \$67,390, but not over \$85,150, 8.5 percent;  
 (4) On all over \$85,170, 9 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

(f) For taxable years 1991 and 1992, the tax determined under paragraphs (a) through (c) is increased by four percent of

(1) the reduction in itemized deductions under section 68 of the Internal Revenue Code of 1986, as amended through December 31, 1990, and

(2) the reduction in the taxpayer's personal and dependent exemption amounts under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

Sec. 18. Minnesota Statutes 1990, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1990~~ 1991, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1987~~ 1990, and before January 1, ~~1991~~ 1992. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets *and* by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, ~~1989~~ 1990, except that in section 1(f)(3)(B) the word "~~1989~~" "1990" shall be substituted for the word "1987." For 1991, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31, ~~1990~~ 1991, and in each subsequent year, from the 12 months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 19. Minnesota Statutes 1990, section 290.06, subdivision 22, is amended to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) A taxpayer who is liable for taxes on or measured by net income to another state or province or territory of Canada, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state or province or territory of Canada if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, clause (2), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state or province or territory of Canada that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31,

1989, modified by the addition required by section 290.01, subdivision 19a, clause (1), and the subtraction allowed by section 290.01, subdivision 19b, clause (1), to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, paragraph (c), the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state or province or territory of Canada by the taxpayer's Minnesota taxable income.

(d) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state or province or territory of Canada on the gross income earned within the other state or province or territory of Canada subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state or province or territory of Canada on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump sum distribution defined in section 290.032, subdivision 1, includes lump sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state or province or territory of Canada on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state or province or territory of Canada. The taxpayer must submit sufficient proof to show entitlement to a credit.

*(g) For the purposes of this subdivision, a resident shareholder of a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1990, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state that does not measure the income of the shareholder of the S corporation by reference to the income of the S corporation. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.*

Sec. 20. Minnesota Statutes 1990, section 290.06, subdivision 23, is amended to read:

Subd. 23. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a ~~credit~~ refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum ~~credit~~ refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A ~~credit~~ ~~for~~ refund of a contribution is allowed only if the taxpayer

files a form required by the commissioner and attaches to the form a copy of an official *credit refund* receipt form issued by the candidate or party. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No *credit refund* is allowed under this subdivision for a contribution to any candidate who has not signed an agreement to limit campaign expenditures as provided in section 10A.322, or 10A.43, and for whom voluntary spending limits are specified in section 10A.25 or 10A.43. This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a *credit refund*.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. "Candidate" means a candidate as defined in section 10A.01, subdivision 5, but does not include a candidate for judicial office. Beginning January 1, 1991, "candidate" also means a candidate for the United States Senate or United States House of Representatives from Minnesota. "*Contribution*" means a gift of money.

(d) ~~The commissioner shall include a copy of the credit form with the instructions for the long and short individual taxation forms.~~ The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a *credit refund*, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The amount necessary to pay claims for the *credit refund* provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 21. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

*Subd. 24. [MILITARY PAY CREDIT.] An individual is allowed a credit against the tax imposed under subdivision 2c equal to ten percent of the amount of the taxpayer's compensation for service in the armed forces of the United States or the United Nations. The maximum amount of this credit is the lesser of \$100 or the taxpayer's liability for tax under subdivision 2c. Compensation does not include a pension, retired pay, or similar income.*

Sec. 22. 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 do not apply.

*If a child who is six years of age or less at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but not older than six years of age at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care. These deemed amounts apply regardless of whether any employment-related expenses have been paid.*

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 a person ~~whose tax is computed under section 290.06, subdivision 2e, paragraph (f) who has earned income not subject to tax under this chapter~~, 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. 23. Minnesota Statutes 1990, section 290.067, subdivision 2a, is amended to read:

Subd. 2a. [INCOME.] (a) For purposes of this section, "income" means the sum of the following:

- (1) ~~the greater~~ of federal adjusted gross income as defined in section 62 of the Internal Revenue Code ~~or zero~~; and
- (2) the sum of the following amounts to the extent not included in clause



(1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or ~~(4)~~ (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) ~~the ordinary income portion of a lump sum distribution under section 402(e)(3) of the Internal Revenue Code; and~~

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

*In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" means federal adjusted gross income reflected in the fiscal year ending in the next calendar year. Federal adjusted gross income may not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.*

(b) "Income" does not include:

(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(2) amounts of any pension or annuity that were exclusively funded by the claimant or spouse if the funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under chapter 290A; and

*(e) child support payments received under a temporary or final decree of dissolution or legal separation.*

Sec. 24. Minnesota Statutes 1990, section 290.0802, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year, plus ~~the ordinary income portion~~ of a lump sum distribution as defined in section 402(e)(3) of the Internal Revenue Code, and less *any* pension, annuity, or disability benefits ~~paid under the Railroad Retirement Act of 1974 that are~~ included in federal gross income but ~~are~~ not subject to state taxation *other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).*

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(d) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code and pension, annuity, or disability benefits ~~paid under the Railroad Retirement Act of 1974 that are~~ included in federal gross income but ~~are~~ not subject to state taxation *other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).*

(e) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

Sec. 25. Minnesota Statutes 1990, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income for the individual's subtraction base amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) ~~\$10,000~~ \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) ~~\$8,000~~ \$9,600 for a single taxpayer, and

(iii) ~~\$5,000~~ \$6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) ~~\$15,000~~ \$18,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) ~~\$12,000~~ \$14,500 for a single taxpayer or for a married couple filing

a joint return if only one spouse is a qualified individual, and

(iii) ~~\$7,500~~ \$9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

Sec. 26. Minnesota Statutes 1990, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~six~~ seven percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 27. Minnesota Statutes 1990, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction *and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code*;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(c) "Investment interest" means investment interest as defined in section

163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals six percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 28. Minnesota Statutes 1990, section 290.0922, is amended by adding a subdivision to read:

*Subd. 4. [PARTNER'S PRO RATA SHARE.] For the purposes of this section, a partner's pro rata share of a partnership's property, payroll, and sales or receipts is not included in the property, payroll, and sales or receipts of the partner.*

Sec. 29. Minnesota Statutes 1990, section 290.17, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF ALLOCATION RULES.] (a) The income of resident individuals is not subject to allocation outside this state. The allocation rules apply to nonresident individuals, estates, trusts, nonresident partners of partnerships, nonresident shareholders of corporations having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and all corporations not having such an election in effect. If a partnership or corporation would not otherwise be subject to the allocation rules, but conducts a trade or business that is part of a unitary business involving another legal entity that is subject to the allocation rules, the partnership or corporation is subject to the allocation rules.

(b) Expenses, losses, and other deductions (referred to collectively in this paragraph as "deductions") must be allocated along with the item or class of gross income to which they are definitely related for purposes of assignment under this section or apportionment under section 290.191, 290.20, 290.35, or 290.36. Deductions not definitely related to any item or class of gross income are assigned to the taxpayer's domicile.

(c) ~~The application of the allocation rules as they apply to income, gains, losses, deductions, or credits of (1) a partner's distributable share from a partnership under section 290.31, subdivision 4; (2) a shareholder's distributable share from an S corporation provided in section 1366 of the Internal Revenue Code of 1986, as amended through December 31, 1989; (3) a beneficiary's distributable share from an estate or trust as provided in section 290.23, subdivision 9; or (4) the shareholders of regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits as provided in subchapter M of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall be determined by the resident status of the partner, beneficiary, or shareholder at the end of the taxable year of the partnership, estate or trust, or corporation. In the case of an individual who is a resident for only part of a taxable year, the individual's income,~~

*gains, losses, and deductions from the distributive share of a partnership, S corporation, trust, or estate are not subject to allocation outside this state to the extent of the distributive share multiplied by a ratio, the numerator of which is the number of days the individual was a resident of this state during the tax year of the partnership, S corporation, trust, or estate, and the denominator of which is the number of days in the taxable year of the partnership, S corporation, trust, or estate.*

Sec. 30. Minnesota Statutes 1990, section 290.17, subdivision 2, is amended to read:

Subd. 2. [INCOME NOT DERIVED FROM CONDUCT OF A TRADE OR BUSINESS.] The income of a taxpayer subject to the allocation rules that is not derived from the conduct of a trade or business must be assigned in accordance with paragraphs (a) to (f):

(a)(1) Subject to paragraphs (a)(2) and (a)(3), income from labor or personal or professional services is assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources is treated as income from sources without this state.

Severance pay shall be considered income from labor or personal or professional services.

(2) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner:

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota; and

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete or entertainer not listed in clause (i), for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(3) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer firefighters' relief association, by way of payment as a pension, public employee retirement benefit, or any combination of these, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 408, or 409, or as defined in section 403(b) or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1989, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(b) Income or gains from tangible property located in this state that is not employed in the business of the recipient of the income or gains must be assigned to this state.

(c) Except upon the sale of a partnership interest or the sale of stock of an S corporation, income or gains from intangible personal property not

employed in the business of the recipient of the income or gains must be assigned to this state if the recipient of the income or gains is a resident of this state or is a resident trust or estate.

Gain on the sale of a partnership interest is allocable to this state in the ratio of the original cost of partnership tangible property in this state to the original cost of partnership tangible property everywhere, determined at the time of the sale. If more than 50 percent of the value of the partnership's assets consists of intangibles, gain or loss from the sale of the partnership interest is allocated to this state in accordance with the sales factor of the partnership for its first full tax period immediately preceding the tax period of the partnership during which the partnership interest was sold.

~~Gain on the sale of stock held in an S corporation is allocable to this state in an amount equal to the gain on the sale of the stock multiplied by the ratio that was used to compute the amount of S corporation income assignable to Minnesota in the tax year preceding the year of sale.~~

Gain on the sale of goodwill or income from a covenant not to compete that is connected with a business operating all or partially in Minnesota is allocated to this state to the extent that the income from the business in the year preceding the year of sale was assignable to Minnesota under subdivision 3.

(d) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state.

(e) Income from winnings on Minnesota pari-mutuel betting tickets, the Minnesota state lottery, and lawful gambling as defined in section 349.12, subdivision 24, conducted within the boundaries of the state of Minnesota shall be assigned to this state.

(f) All items of gross income not covered in paragraphs (a) to (e) and not part of the taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.

Sec. 31. 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 designated statewide grantee 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. 32. 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. 33. Minnesota Statutes 1990, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. [WITHHOLDING BY PARTNERSHIPS.] (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) ~~when the partnership pays or credits amounts to any of its for nonresident individual partners on account of based on~~ their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined ~~based on tables provided~~ by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 290.39, subdivision 5;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year; or

(4) the distributive shares of partnership income are attributable to:



(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code of 1986, as amended through December 31, 1989; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code of 1986, as amended through December 31, 1989,

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property.

(e) For purposes of subdivision 6a, and sections 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an employer.

(f) To the extent that income is exempt from withholding under paragraph (d), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (d), clause (4). The lien arises under section 270.69 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270.70, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

Sec. 34. Minnesota Statutes 1990, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. [WITHHOLDING BY ~~SMALL BUSINESS S~~ CORPORATIONS.] (a) A corporation having a valid election in effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b) ~~when it pays or credits amounts to any of its~~ for nonresident individual shareholders as ~~dividends or as~~ their share of the corporation's ~~undistributed taxable~~ income for the taxable year.

(b) The amount of tax withheld is determined by multiplying the amount of ~~dividends or undistributed~~ income allocable to Minnesota under section 290.17, ~~paid or credited to a nonresident shareholder during the taxable year~~ by the highest rate used to determine the income tax liability of an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined ~~based on tables provided~~ by the commissioner if the shareholder submits a withholding exemption certificate under subdivision 5.

(c) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite return under section 290.39, subdivision 5;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; or

(3) the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.

(d) For purposes of subdivision 6a, and sections 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an employer.

Sec. 35. Minnesota Statutes 1990, section 290.92, subdivision 12, is amended to read:

Subd. 12. [WITHHELD AMOUNT, CREDIT AGAINST TAX.] (a) The amount deducted and withheld as tax under subdivision 2a, or 3, ~~4b, or 4c or section 290.923, subdivision 2,~~ during any a calendar year upon the wages, partnership income, or "S" corporation income of any individual or person receiving royalty payments shall be allowed as a credit to the recipient of the income against the taxes imposed by this chapter ~~or by chapter 298,~~ for a taxable year beginning in such calendar year. If more than one taxable year begins in such calendar year, such amount shall be allowed as a credit against the taxes for the last taxable year so beginning.

*(b) The amount deducted and withheld under subdivisions 4b and 4c and under section 290.923, subdivision 2, for partnership, S corporation, or royalty income must be allowed as a credit to the recipient of the income against the taxes imposed by this chapter for the tax year the income is subject to tax under this chapter.*

Sec. 36. Minnesota Statutes 1990, section 290.92, subdivision 26, is amended to read:

Subd. 26. [EXTENSION OF WITHHOLDING TO CERTAIN PAYMENTS WHERE IDENTIFYING NUMBER NOT FURNISHED OR INACCURATE.] (a) If, in the case of any reportable payment, (1) the payee fails to furnish the payee's social security account number to the payor, or (2) the commissioner notifies the payor that the social security account number furnished by the payee is incorrect, then the payor shall deduct and withhold from the payment a tax equal to ~~ten~~ nine percent of the payment.

(b)(1) In the case of any failure described in clause (a)(1), clause (a) shall apply to any reportable payment made by the payor during the period during which the social security account number has not been furnished.

(2) In any case where there is a notification described in clause (a)(2), clause (a) shall apply to any reportable payment made by the payor (i) after the close of the 30th day after the day on which the payor received the notification, and (ii) before the payee furnishes another social security account number.

(3)(i) Unless the payor elects not to have this subparagraph apply with respect to the payee, clause (a) shall also apply to any reportable payment made after the close of the period described in paragraph (1) or (2) (as the case may be) and before the 30th day after the close of the period.

(ii) If the payor elects the application of this subparagraph with respect to the payee, clause (a) shall also apply to any reportable payment made during the 30-day period described in paragraph (2).

(iii) The payor may elect a period shorter than the grace period set forth

in subparagraph (i) or (ii) as the case may be.

(c) The provisions of section 3406 of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply and shall govern when withholding shall be required and the definition of terms. The term "reportable payment" shall include only those payments for personal services. No tax shall be deducted or withheld under this subdivision with respect to any amount for which withholding is otherwise required under this section. For purposes of this section, payments which are subject to withholding under this subdivision shall be treated as if they were wages paid by an employer to an employee and amounts deducted and withheld under this subdivision shall be treated as if deducted and withheld under subdivision 2a.

(d) Whenever the commissioner notifies a payor under this subdivision that the social security account number furnished by any payee is incorrect, the commissioner shall at the same time furnish a copy of the notice to the payor, and the payor shall promptly furnish the copy to the payee. If the commissioner notifies a payor under this subdivision that the social security account number furnished by any payee is incorrect and the payee subsequently furnishes another social security account number to the payor, the payor shall promptly notify the commissioner of the other social security account number furnished.

Sec. 37. Minnesota Statutes 1990, section 290.92, subdivision 27, is amended to read:

Subd. 27. [*PARI-MUTUEL WINNINGS.*] Any holder of a class A, B, or D license issued by the Minnesota racing commission shall deduct and withhold ~~ten~~ nine percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1989. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment.

Sec. 38. Minnesota Statutes 1990, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [*INCOME.*] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or ~~(j)~~ (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b)

of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied

by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the taxable year for which the income is reported.

Sec. 39. Minnesota Statutes 1990, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1989. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts 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 claimant. ~~"Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead.~~

Sec. 40. Minnesota Statutes 1990, section 290A.05, is amended to read:

#### 290A.05 [COMBINED HOUSEHOLD INCOME.]

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. *For purposes of this section, "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead and does not have an ownership interest in the homestead.* If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or rent constituting property tax shall be reduced as follows.

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

Sec. 41. Minnesota Statutes 1990, section 290A.091, is amended to read:

#### 290A.091 [CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.]

The cooperative manager of a leasehold cooperative shall furnish a statement to each tenant by March 31 of the year in which the property tax is payable showing each unit's share of the gross property tax and each unit's share of any property tax credits. Each tenant may apply for a property tax refund under this chapter as a homeowner based on each tenant's share of property taxes. The tenant may not include any rent constituting property taxes paid on that unit. *For the purposes of this section, a leasehold cooperative is formed on the day that leasehold cooperative status is granted by the appropriate county official.*

Sec. 42. [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. 43. [ESTIMATED TAXES; EXCEPTIONS.]

*No addition to tax, penalties, or interest may be made under Minnesota Statutes, section 289A.25, for any period before September 15, 1991, with respect to an underpayment of estimated tax, to the extent that the underpayment was created or increased by the increase in tax rates under this article.*

Sec. 44. [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. 45. [REPEALER.]

*Minnesota Statutes 1990, section 289A.19, subdivision 6, is repealed.*

Sec. 46. [EFFECTIVE DATE.]

*Sections 2, 9, 11, 13, except paragraph (e), 33 to 38 are effective July 1, 1991. Sections 13, paragraph (e), and 45 are effective beginning for refunds based on property taxes payable in 1991 and for refunds based on rent constituting property taxes paid in 1990. Section 20 is effective for contributions made on or after the date of enactment. Sections 27, except the allowance of the medical expense deduction, and 28 are effective for taxable years beginning after December 31, 1989. Sections 39 to 41 are effective for refunds based on rents paid in 1991 and property taxes payable*

*in 1992 and applications for leasehold cooperative status filed with the county after December 31, 1990. Except where otherwise specifically provided, the rest of this article is effective for taxable years beginning after December 31, 1990.*

## ARTICLE 6 CORPORATIONS

Section 1. Minnesota Statutes 1990, section 289A.18, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS.] The returns required to be made under sections 289A.08 and 289A.12 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the 15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the month in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year; ~~and~~

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year; *and*

(8) *returns required to be filed under section 289A.08, subdivision 4, must be filed on the 15th day of the fifth month following the close of the taxable year.*

Sec. 2. Minnesota Statutes 1990, section 289A.26, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM LIABILITY.] A corporation subject to taxation under chapter 290 (excluding section 290.92) *or an entity subject to*

*taxation under section 290.05, subdivision 3*, must make payment of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted under section 289A.08, subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 289A.26, subdivision 6, is amended to read:

Subd. 6. [PERIOD OF UNDERPAYMENT.] The period of the underpayment runs from the date the installment was required to be paid to the earlier of the following dates:

(1) the 15th day of the third month following the close of the taxable year for corporations, and the 15th day of the fifth month following the close of the taxable year for entities subject to tax under section 290.05, subdivision 3; or

(2) with respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax shall be credited against unpaid required installments in the order in which those installments are required to be paid.

Sec. 4. 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~~ amount of salary expense *not allowed* 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	
Beginning After . . . . .	Percentage
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 qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068.

Sec. 5. Minnesota Statutes 1990, section 290.014, subdivision 2, is amended to read:

Subd. 2. [NONRESIDENT INDIVIDUALS.] ~~Income of~~ Except as provided in section 290.015, a nonresident individual is subject to ~~tax under this chapter and a nonresident individual is subject to~~ the return filing requirements ~~under and to tax as provided in~~ this chapter to the extent that the income of the nonresident individual is:

(1) allocable to this state under section 290.17, 290.191, or 290.20;

(2) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the estate;

(3) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character that is taxable under this chapter) in the individual's capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the trust;

(4) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the partnership; or

(5) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a shareholder of a corporation having a valid election in effect under section 1362 of the Internal

Revenue Code of 1986, as amended through December 31, 1989, and income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 1366(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the corporation.

Sec. 6. Minnesota Statutes 1990, section 290.014, subdivision 3, is amended to read:

Subd. 3. [TRUSTS AND ESTATES.] *Except as provided in section 290.015*, a trust or estate, whether resident or nonresident, is subject to the return filing requirements ~~under and to tax as provided in this chapter and the income of a trust or estate is subject to tax under this chapter~~ to the extent that the income of the trust or estate is:

- (1) allocable to this state under section 290.17, 290.191, or 290.20;
- (2) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of a trust or estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or beneficiary estate directly from the source from which realized by the distributing estate;
- (3) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the beneficiary trust or estate directly from the source from which realized by the distributing trust;
- (4) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or estate directly from the source from which realized by the partnership; or
- (5) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a shareholder of a corporation having a valid election in effect under section 1362 of the Internal Revenue Code

of 1986, as amended through December 31, 1989, and income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 1366(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or estate directly from the source from which realized by the corporation.

Sec. 7. Minnesota Statutes 1990, section 290.014, subdivision 4, is amended to read:

Subd. 4. [PARTNERSHIPS.] *Except as provided in section 290.015, a partnership is not subject to tax under this chapter but is subject to the return filing requirements under and to tax as provided in this chapter and its partners are subject to tax under this chapter on their shares of partnership income to the extent that if the income of the partnership is:*

- (1) allocable to this state under section 290.17, 290.191, or 290.20;
- (2) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the partnership directly from the source from which realized by the estate;
- (3) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the partnership directly from the source from which realized by the trust; or

- (4) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the second tier partnership directly from the source from which realized by the first tier partnership.

Sec. 8. Minnesota Statutes 1990, section 290.014, subdivision 5, is amended to read:

Subd. 5. [CORPORATIONS.] *A corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, is not subject to tax under this chapter, except*

as provided in section 290.9725, but its shareholders are, and it is subject to the return filing requirements. Except as provided in section 290.015, corporations are subject to the return filing requirements and to tax under as provided in this chapter if the corporation so exercises its franchise as to engage in such contacts with this state as to cause part of the income of the corporation to be:

(1) allocable to this state under section 290.17, 290.191, 290.20, 290.35, or 290.36;

(2) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the estate;

(3) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the trust; or

(4) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the partnership.

Sec. 9. Minnesota Statutes 1990, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

- (i) section 527 (dealing with political organizations);
  - (ii) section 528 (dealing with certain homeowners associations); ~~and~~
  - (iii) sections 511 to 515 (dealing with unrelated business income); ~~and~~
  - (iv) section 521 (dealing with farmers' cooperatives); but
- notwithstanding this subdivision, shall be considered an organization

exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code, provided that the tax is not imposed on advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code. The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in section 290.21 shall not be allowed in computing Minnesota taxable net income.

Sec. 10. Minnesota Statutes 1990, section 290.06, subdivision 21, is amended to read:

Subd. 21. [ALTERNATIVE MINIMUM TAX; FACTORS TAX.] (a) A corporation is allowed a credit for alternative minimum tax previously paid for any taxable year in which the corporation has no tax liability under section 290.092, subdivision 1, and has an alternative minimum tax credit carryover from a previous year. The credit allowable in any taxable year equals the lesser of (1) the excess of the tax under subdivision 1 for the taxable year over the amount computed under section 290.092, subdivision 1, clause (1), for the taxable year, or (2) the alternative minimum tax credit carryover to the taxable year.

(b) The tax imposed under section 290.092, subdivision 1, for the taxable year is an alternative minimum tax credit carryover to each of the five taxable years succeeding the taxable year. The entire amount of the alternative minimum tax credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the alternative minimum tax under section 290.092, subdivision 1, was incurred.

(c) For taxable years beginning after December 31, 1989, qualification for a credit and computation of the amount of the credit for alternative minimum tax under paragraph (a) must be determined by computing the alternative minimum tax that would apply if section 290.092 were in effect for the taxable year.

*(d) An acquiring corporation may carry over this credit from a transferor or distributor corporation in a corporate acquisition. The provisions of section 381 of the Internal Revenue Code apply in determining the amount of the carryover, if any.*

Sec. 11. Minnesota Statutes 1990, section 290.068, subdivision 1, is amended to read:

290.068 [CREDIT FOR INCREASING RESEARCH AND EXPERIMENTAL EXPENDITURES ACTIVITIES.]

Subdivision 1. [CREDIT ALLOWED.] A corporation, other than a corporation with a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, is allowed a credit against the portion of the franchise tax computed under section 290.06, subdivision 1, for the taxable year equal to:

- (a) 5 percent of the first \$2 million of the excess (if any) of
  - (1) the qualified research expenses for the taxable year, over
  - (2) the base ~~period research expenses amount~~; and
- (b) 2.5 percent on all of such excess expenses over \$2 million.

Sec. 12. Minnesota Statutes 1990, section 290.068, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualified research expenses" means (i) qualified research expenses *and basic research payments* as defined in section 41(b) and (e) of the Internal Revenue Code, except it ~~shall does~~ not include expenses incurred for *qualified research or* basic research conducted outside the state of Minnesota pursuant to section 41(d) *and (e) of the Internal Revenue Code*; ~~or~~ and (ii) contributions to a nonprofit corporation established and operated pursuant to the provisions of chapter 317A for the purpose of promoting the establishment and expansion of business in this state, provided the contributions are invested by the nonprofit corporation for the purpose of providing funds for small, technologically innovative enterprises in Minnesota during the early stages of their development.

(b) "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code, except that the term ~~shall does~~ not include qualified research conducted outside the state of Minnesota.

(c) "Base ~~period research expenses amount~~" means base ~~period research expenses amount~~ as defined in section 41(c) of the Internal Revenue Code, except that ~~"December 31, 1981"~~ shall be substituted for ~~"June 30, 1981"~~ in subparagraph (B) of paragraph (2) *the average annual gross receipts must be calculated using Minnesota sales or receipts under section 290.191 and the definitions contained in clauses (a) and (b) shall apply.*

(d) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 13. Minnesota Statutes 1990, section 290.068, subdivision 5, is amended to read:

Subd. 5. [ADJUSTMENTS; ACQUISITIONS AND DISPOSITIONS.] If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base ~~period shall be amount~~ *are* adjusted in the same manner provided by section 41(f)(3) of the Internal Revenue Code; ~~except that "December 31, 1980" shall be substituted for "June 30, 1980."~~

Sec. 14. Minnesota Statutes 1990, section 290.0921, subdivision 8, is amended to read:

Subd. 8. [CARRYOVER CREDIT.] (a) A corporation is allowed a credit against qualified regular tax for qualified alternative minimum tax previously paid. The credit is allowable only if the corporation has no tax liability under this section for the taxable year and if the corporation has an alternative minimum tax credit carryover from a previous year. The credit allowable in a taxable year equals the lesser of

- (1) the excess of the qualified regular tax for the taxable year over the

amount computed under subdivision 1, paragraph (a), clause (1), for the taxable year or

(2) the carryover credit to the taxable year.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Qualified alternative minimum tax" equals the amount determined under subdivision 1 for the taxable year. ~~In computing the amount of alternative minimum tax~~

~~(i) the adjustment under section 56(e)(3) of the Internal Revenue Code must not be made;~~

~~(ii) the full amount of the charitable contribution deduction under section 290.21, subdivision 3, must be deducted in computing Minnesota alternative minimum taxable income; and~~

~~(iii) in the case of a corporation subject to an occupation tax under section 298.04 the tax preference for depletion under section 57(a)(1) of the Internal Revenue Code must be deducted in computing Minnesota alternative minimum taxable income.~~

(2) "Qualified regular tax" means the tax imposed under section 290.06, subdivision 1.

(c) The qualified alternative minimum tax for a taxable year is an alternative minimum tax credit carryover to each of the taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. Any unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year in which alternative minimum tax was paid.

*(d) An acquiring corporation may carry over this credit from a transferor or distributor corporation in a corporate acquisition. The provisions of section 381 of the Internal Revenue Code apply in determining the amount of the carryover, if any.*

Sec. 15. Minnesota Statutes 1990, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] (a) In addition to the tax imposed by this chapter without regard to this section, the franchise tax imposed on a corporation required to file under section 290.37, other than a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:	the tax equals:
less than \$500,000	\$0
\$ 500,000 to \$ <del>1,000,000</del> \$ 999,999	\$100
\$ 1,000,000 to \$ 4,999,999	\$300
\$ 5,000,000 to \$ 9,999,999	\$1,000
\$10,000,000 to \$19,999,999	\$2,000
\$20,000,000 or more	\$5,000

(b) A tax is imposed annually beginning in 1990 on a corporation required to file a return under section 290.41, subdivision 1, that has a valid election



in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and on a partnership required to file a return under section 290.41, subdivision 1, other than a partnership that derives over 80 percent of its income from farming. The tax imposed under this paragraph is due on or before the due date of the return due under section 290.41, subdivision 1, for the calendar year following the calendar year in which the tax is imposed. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

If the sum of the S corporation's or partnership's Minnesota property, payrolls, and sales or receipts is:	the tax equals:
less than \$500,000	\$0
\$ 500,000 to \$ 999,999	\$100
\$ 1,000,000 to \$ 4,999,999	\$300
\$ 5,000,000 to \$ 9,999,999	\$1,000
\$10,000,000 to \$19,999,999	\$2,000
\$20,000,000 or more	\$5,000

Sec. 16. Minnesota Statutes 1990, section 290.17, subdivision 5, is amended to read:

Subd. 5. ~~[SPECIAL RULES.]~~ ~~Notwithstanding subdivisions 3 and 4, all income from the operation of the following types of businesses must be allocated as follows:~~

~~(a) All income from the operation of a farm is assigned to this state if the farm is located within this state and no such income is assigned to this state if the farm is located without this state.~~

~~(b) For an athletic teams team when the visiting team does not share in the gate receipts, all of the team's income is assigned to the state in which the team's operation is based.~~

Sec. 17. Minnesota Statutes 1990, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.] (a) For purposes of this section, the rules in this subdivision and subdivisions 7 and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the

extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

(1) the operation of the property is entirely within the state; or

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h). A participation loan is an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan is a ~~multibank~~ loan transaction *involving multiple financial institutions* in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those

benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. If the extent to which the benefits of services are consumed in this state is not readily determinable, the benefits of the services shall be deemed to be consumed at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the benefits of the services shall be deemed to be consumed at the office of the customer to which the services are billed.

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securities of this state, its political subdivisions, agencies, and instrumentalities must be attributed to this state.

~~(o) Receipts from a financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the receipts factor provided the financial institution's activities within this state with respect to any interest in the property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (n) and subdivision 7, and from money market instruments must be apportioned to this state based on the ratio that total deposits from this state, its residents, including any business with an office or other place of business in this state, its political subdivisions, agencies, and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies, and instrumentalities. In the case of an unregulated financial institution subject to this section, these receipts are apportioned to this state based on the ratio that its gross business income, excluding such receipts, earned from sources within this state bears to gross business income, excluding such receipts, earned from sources within all states. For purposes of this subdivision, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities must be attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.~~

~~(o) A financial institution's interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n).~~

Sec. 18. Minnesota Statutes 1990, section 290.191, subdivision 8, is amended to read:

Subd. 8. [DEPOSIT; DEFINITION.] (a) "Deposit," as used in subdivision 7, has the meanings in this subdivision.

(b) "Deposit" means the unpaid balance of money or its equivalent received or held by a financial institution in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account whether or not advance notice is required to withdraw the credited funds, or which is evidenced by its certificate of deposit, thrift certificate,

investment certificate, or certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the financial institution, or a letter of credit or a traveler's check on which the financial institution is primarily liable. However, without limiting the generality of the term "money or its equivalent," any such account or instrument must be regarded as evidencing the receipt of the equivalent of money when credited or issued in exchange for checks or drafts or for a promissory note upon which the person obtaining the credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to the bank for collection.

(c) "Deposit" means trust funds received or held by the financial institution, whether held in the trust department or held or deposited in any other department of the financial institution.

(d) "Deposit" means money received or held by a financial institution, or the credit given for money or its equivalent received or held by a financial institution, in the usual course of business for a special or specific purpose, regardless of the legal relationship so established. Under this paragraph, "deposit" includes, but is not limited to, escrow funds, funds held as security for an obligation due to the financial institution or others, including funds held as dealers reserves, or for securities loaned by the ~~bank~~ *financial institution*, funds deposited by a debtor to meet maturing obligations, funds deposited as advance payment on subscriptions to United States government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes. It does not include funds received by the financial institution for immediate application to the reduction of an indebtedness to the receiving financial institution, or under condition that the receipt of the funds immediately reduces or extinguishes the indebtedness.

(e) "Deposit" means outstanding drafts, including advice or another such institution, cashier's checks, money orders, or other officer's checks issued in the usual course of business for any purpose, but not including those issued in payment for services, dividends, or purchases or other costs or expenses of the financial institution itself.

(f) "Deposit" means money or its equivalent held as a credit balance by a financial institution on behalf of its customer if the entity is engaged in soliciting and holding such balances in the regular course of its business.

(g) Interinstitution fund transfers are not deposits.

Sec. 19. Minnesota Statutes 1990, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.] (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible

personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (l).

Sec. 20. Minnesota Statutes 1990, section 290.35, subdivision 3, is amended to read:

Subd. 3. [CREDIT.] An insurance company shall receive a credit against the tax computed under sections 290.06, subdivision 1, and 290.0921, equal to any taxes based on premiums paid by it that are attributable to the period for which the tax under this chapter is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by sections 69.54 to 69.56.

Sec. 21. Minnesota Statutes 1990, section 290.9727, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] For a corporation electing S corporation status pursuant to section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, after December 31, 1986, and having a recognized built-in gain as defined in section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1989, there is imposed a tax on the taxable income of such S corporation, as defined in this section, at the rate prescribed by section 290.06, subdivision 1. This ~~section~~ *subdivision* does not apply to any corporation having an S election in effect for each of its taxable years. An S corporation and any predecessor corporation must be treated as one corporation for purposes of the preceding sentence.

Sec. 22. Minnesota Statutes 1990, section 290.9727, is amended by adding a subdivision to read:

*Subd. 1a. [ASSET TRANSFERS.] In the case of the transfer of assets from a C corporation to an S corporation as described in section 1374(d)(8) of the Internal Revenue Code of 1986, as amended through December 31, 1990, a tax is imposed on the taxable income of the S corporation, as defined in this section, at the rate prescribed in section 290.06, subdivision 1.*

Sec. 23. Minnesota Statutes 1990, section 290.9727, subdivision 3, is amended to read:

Subd. 3. [TAXABLE NET INCOME.] For purposes of this section, taxable net income means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as determined under section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1989, subject to the modifications provided in section 290.01, ~~subdivisions 19e and~~ *subdivision 19f*, that are allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1989, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Sec. 24. Minnesota Statutes 1990, section 290.9727, is amended by adding a subdivision to read:

*Subd. 5. [CREDIT CARRYFORWARD.] Any credit carryforward allowed under this chapter and arising in a taxable year in which the corporation was a C corporation is allowed as a credit against the tax imposed by this section.*

Sec. 25. Laws 1990, chapter 604, article 2, section 22, is amended to read:

## Sec. 22. [EFFECTIVE DATE.]

Section 1 is effective for premiums paid after December 31, 1989. The provisions of section 12 are effective for taxable years beginning after December 31, 1990 for insurance companies domiciled in a state or country other than Minnesota that imposes retaliatory taxes, fines, deposits, penalties, licenses, or fees. Section 14 is effective the day following final enactment. The remainder of this article is effective for taxable years beginning after December 31, 1989, except as otherwise provided.

## Sec. 26. [REPEALER.]

*Minnesota Statutes 1990, sections 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; and 290.191, subdivision 7, are repealed.*

## Sec. 27. [EFFECTIVE DATE.]

*Sections 2, 9, 15 to 19, 21 to 24, and 26 are effective for taxable years beginning after December 31, 1990, provided that the carryover for the credit provided under Minnesota Statutes, section 290.068, subdivision 6, that is repealed by section 26, remains in effect for taxable years beginning before 2003. Sections 10 and 14 are effective the day following final enactment. Sections 1, 3, 20, and 25 are effective for taxable years beginning after December 31, 1989.*

## ARTICLE 7

## SALES AND USE TAX

Section 1. Minnesota Statutes 1990, section 84.82, is amended by adding a subdivision to read:

*Subd. 10. [PROOF OF SALES TAX PAYMENT.] A person applying for initial registration of a snowmobile must provide a snowmobile purchaser's certificate, showing a complete description of the snowmobile, the seller's name and address, the full purchase price of the snowmobile, and the trade-in allowance, if any. The certificate must include information showing either (1) that the sales and use tax under chapter 297A was paid or (2) the purchase was exempt from tax under chapter 297A. The commissioner of public safety, in consultation with the commissioner and the commissioner of revenue, shall prescribe the form of the certificate.*

Sec. 2. Minnesota Statutes 1990, section 86B.401, is amended by adding a subdivision to read:

*Subd. 12. [PROOF OF SALES TAX PAYMENT.] A person applying for initial licensing of a watercraft must provide a watercraft purchaser's certificate, showing a complete description of the watercraft, the seller's name and address, the full purchase price of the watercraft, and the trade-in allowance, if any. The certificate must include information showing either (1) that the sales and use tax under chapter 297A was paid or (2) the purchase was exempt from tax under chapter 297A. The commissioner of public safety, in consultation with the commissioner and the commissioner of revenue, shall prescribe the form of the certificate.*

Sec. 3. Minnesota Statutes 1990, section 289A.11, subdivision 1, is amended to read:

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.18, subdivision 4, for the month in which taxes imposed by sections

297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and in addition must contain a confession of judgment for the amount of the tax shown due to the extent not timely paid. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner.

*Notwithstanding this subdivision, a person who is not required to hold a sales tax permit under chapter 297A and who makes annual purchases of less than \$5,000 that are subject to the use tax imposed by section 297A.14, may file an annual use tax return on a form prescribed by the commissioner. If a person who qualifies for an annual use tax reporting period is required to obtain a sales tax permit or makes use tax purchases in excess of \$5,000 during the calendar year, the reporting period must be considered ended at the end of the month in which the permit is applied for or the purchase in excess of \$5,000 is made and a return must be filed for the preceding reporting period.*

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX RETURNS.] Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period, *except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year.* In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

Sec. 5. Minnesota Statutes 1990, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes, *except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.*

(b) A vendor having a liability of \$1,500 or more in May of a year must remit the June liability in the following manner:

(1) On or before June 20 of the year, the vendor must remit the actual May liability and one-half of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

Sec. 6. Minnesota Statutes 1990, section 289A.60, subdivision 15, is amended to read:



Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and one-half payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 percent of the actual June liability, ~~or~~ (2) 50 percent of the preceding May's liability, or (3) 50 percent of the average monthly liability for the previous calendar year.

Sec. 7. Minnesota Statutes 1990, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served; or

(3) meals and lunches served at public and private schools, universities, or colleges. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

- (viii) all food sold in vending machines;
  - (ix) party trays prepared by the retailers; and
  - (x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;
- (d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, ~~massage parlors~~, health clubs, and spas or athletic facilities;
- (e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;
- (f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state; ~~the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services.~~ *Telephone service includes private communication service, as defined in United States Code, title 26, section 4252(d), and paging services.* The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale. *The sale of natural gas to be used as a fuel in vehicles propelled by natural gas shall not be considered a sale for the purposes of this section;*
- (g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;
- (h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;
- (i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;
- (j) The furnishing for a consideration of services listed in this paragraph:
- (i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;
  - (ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;
  - (iii) building and residential cleaning, maintenance, and disinfecting and

exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub planting, pruning, bracing, spraying, and surgery; and tree trimming for public utility lines-;

(vii) *solid waste collection and disposal services as described in section 297A.45;*

(viii) *massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease;*

(ix) *the furnishing for consideration of space or services for the storage of yachts, ships, boats or other watercraft, including charges for slip and marina rental, boat docking, and similar services;*

(x) *the furnishing for consideration of lodging, board and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services; and*

(xi) *furniture refinishing and reupholstery services.*

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; ~~and~~

~~(vii) solid waste collection and disposal services as described in section 297A.45;~~

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(1) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 8. Minnesota Statutes 1990, section 297A.01, subdivision 8, is amended to read:

Subd. 8. "Sales price" means the total consideration valued in money, for a retail sale whether paid in money or otherwise, excluding therefrom any amount allowed as credit for tangible personal property taken in trade for resale, without deduction for the cost of the property sold, cost of materials used, labor or service cost, interest, or discount allowed after the sale is consummated, the cost of transportation incurred prior to the time of sale, any amount for which credit is given to the purchaser by the seller, or any other expense whatsoever. A deduction may be made for charges for services that are part of the sale, including charges up to 15 percent in lieu of tips, if the consideration for such charges is separately stated; but, no deduction shall be allowed for charges for services that are part of a sale as defined in subdivision 3, clauses (b) to (d). A deduction may also be made for interest, financing, or carrying charges, charges for labor or services used in installing or applying the property sold or transportation charges if the transportation occurs after the retail sale of the property only if the consideration for such charges is separately stated. There shall not be included in "sales price" cash discounts allowed and taken on sales or the amount refunded either in cash or in credit for property returned by purchasers.

Sec. 9. Minnesota Statutes 1990, section 297A.01, subdivision 10, is amended to read:

Subd. 10. [RETAILER.] "Retailer" includes every person engaged in making sales at retail as herein defined. *For isolated and occasional sales of trade or business equipment that are taxable because the sale was arranged or assisted by an agent, broker, or auctioneer, the retailer is the agent, broker, or auctioneer.*

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. Repair or replacement parts for aquaculture production equipment shall not be included in the definition of aquaculture production equipment.*

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 297A.02, is amended by adding a subdivision to read:

Subd. 6. [LUXURY ITEMS.] *An additional tax is imposed on the retail sale of boats, passenger vehicles, aircraft, jewelry, and furs equal to 25 percent of the tax liability imposed under sections 4001 through 4011 of the Internal Revenue Code of 1986, as amended through December 31, 1990. The tax imposed under this subdivision does not apply to vans specially equipped for use in transporting a person with a disability.*

Sec. 13. [297A.135] [RENTAL MOTOR VEHICLE TAX.]

Subdivision 1. [TAX IMPOSED.] *A tax of \$7.50 is imposed on the lease or rental in this state on a daily or weekly basis of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. The tax does not apply if the term of the lease or rental is longer than 28 days. It applies whether or not the vehicle is licensed in the state.*

Subd. 2. [SALES AND USE TAX.] *The tax imposed in subdivision 1 is not included in the sales price for purposes of determining the sales and use tax imposed in this chapter or any sales and use tax imposed on the transaction under a special law.*

Subd. 3. [ADMINISTRATION.] *The tax imposed in subdivision 1 must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the tax that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax.*

Sec. 14. Minnesota Statutes 1990, section 297A.21, subdivision 1, is amended to read:

Subdivision 1. [RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] "Retailer maintaining a place of business in this state", or any like term, shall mean any retailer having or maintaining within this state, directly or by a subsidiary, an office, *place of distribution house, sales house or sample room or place*, warehouse, or other place of business, or ~~any agent operating within~~ *having any representative, agent, salesperson, canvasser, or solicitor operating* in this state under the authority of the retailer or its subsidiary, ~~whether such place of business or agent is located in the state permanently or temporarily, or whether or not such retailer or subsidiary is authorized to do business within this state for any purpose, including the repairing, selling, delivering, installing, or soliciting of orders for the retailer's goods or services, or the leasing of tangible personal property located in this state, whether the place of business or agent, representative, salesperson, canvasser, or solicitor is located in the state permanently or temporarily, or whether or not the retailer or subsidiary is authorized to do business within this state.~~

Sec. 15. Minnesota Statutes 1990, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of

the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and (1) makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 16. Minnesota Statutes 1990, section 297A.211, subdivision 2, is amended to read:

Subd. 2. (a) Such persons, when properly registered as retailers, may make purchases in this state, or import property into this state, without payment of the sales or use taxes imposed by this chapter at the time of purchase or importation, provided that such purchases or importations come within the provisions of this section and are made in strict compliance with the rules of the commissioner.

(b) Any person described in subdivision 1 may elect to pay directly to the commissioner any sales or use tax that may be due under this chapter for the acquisition of mobile transportation equipment and parts and accessories attached or to be attached to such equipment *registered under section 168.187.*

(c) The total cost of such equipment and parts and accessories attached or to be attached to such equipment shall be multiplied by a fraction, the numerator of which is *the Minnesota mileage operated during the past calendar year within the state of Minnesota as reported on the current pro rata application provided for in section 168.187* and the denominator is the total mileage *operated during the past calendar year reported on the current pro rata registration application.* The amount so determined shall be multiplied by the tax rate to disclose the tax due.

In computing the tax under this section "sales price" does not include the amount of any tax, except any manufacturer's or importer's excise tax, imposed by the United States upon or with respect to retail sales, whether imposed on the retailer or the consumer.

(d) Each such retailer shall make a return and remit to the commissioner the tax due for the preceding calendar month in accordance with the provisions of sections 289A.11 and 289A.20, subdivision 4.

Sec. 17. Minnesota Statutes 1990, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. [*SCOPE.*] The items contained in ~~subdivisions 2 to 30~~ *this*

section are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44.

Sec. 18. Minnesota Statutes 1990, section 297A.25, subdivision 10, is amended to read:

Subd. 10. [PUBLICATIONS; PUBLICATION MATERIALS.] The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property ~~(except as provided in section 297A.14)~~ which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication are exempt. For purposes of this subdivision, "publication" as used herein shall include, without limiting the foregoing, a ~~legal~~ *qualified* newspaper as defined by section ~~331-02~~ *331A.02*, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. ~~The term "publication" shall not include magazines and periodicals sold over the counter.~~ *Magazines and periodicals shall be treated as publications for purposes of this subdivision except that the gross receipts from the over-the-counter or subscription sale of, storage, use, or other consumption in Minnesota of magazines and periodicals shall be subject to the taxes imposed by this chapter.* Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt.

Sec. 19. Minnesota Statutes 1990, section 297A.25, subdivision 12, is amended to read:

Subd. 12. [OCCASIONAL SALES.] (a) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale are exempt.

*(b) This exemption does not apply to sales of tangible personal property primarily used in a trade or business unless (1) the sale occurs in a transaction subject to or described in section 118, 336, 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code of 1986, as amended through December 31, 1990, or (2) the sale is between members of an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990.*

*(c) This exemption does not apply to sales at an auction conducted by a person who is paid for conducting the auction.*

Sec. 20. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 46. [SACRAMENTAL WINE.] *The gross receipts from the sale of wine for sacramental purposes in religious ceremonies, as described in section 340A.316, if the wine is purchased from a nonprofit religious organization meeting the requirements of subdivision 16 or from the holder of a sacramental wine license as provided in section 340A.316 are exempt.*



Sec. 21. [297A.2501] [SEVERABILITY RULES; EXEMPTIONS.]

*Subdivision 1. [SEVERABILITY; PUBLICATIONS AND COMMUNICATIONS MEDIA.] If the tax on the sale or use of (1) magazines, periodicals, or other printed material, (2) capital equipment, or (3) communications or related services is found to be unconstitutional as a result of the exemption of other elements of the press or communications media or the failure to exempt the press or communication media, the legislature intends the exemption to be invalid and the tax be imposed as widely as necessary to uphold the constitutionality of the tax and ensure the receipt of state revenue.*

*Subd. 2. [EFFECT OF INVALIDITY OF EXEMPTION.] If an exemption is found invalid, the court shall impose the tax retroactively for the time period that is the subject of the challenge to the tax. After the court's order is final and nonappealable, the commissioner of revenue shall collect unpaid taxes for the period in which the exemption was held invalid from the seller regardless of whether taxes were collected from the purchasers of the goods and services.*

*Subd. 3. [COORDINATION; OTHER SEVERABILITY PROVISIONS.] The provisions of this section govern to the extent inconsistent with section 645.20.*

Sec. 22. Minnesota Statutes 1990, section 297A.255, subdivision 5, is amended to read:

Subd. 5. There is specifically exempted from the provisions of this chapter the purchase or use of aircraft *previously* registered in the state of Minnesota by a corporation or partnership when the transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 23. Minnesota Statutes 1990, section 297B.02, is amended by adding a subdivision to read:

*Subd. 4. [LUXURY CARS.] An additional tax is imposed on the sale of a passenger vehicle equal to 25 percent of the tax liability imposed under sections 4001 and 4004 of the Internal Revenue Code of 1986, as amended through December 31, 1990. The tax imposed under this subdivision does not apply to vans specially equipped for use in transporting a person with a disability.*

Sec. 24. Minnesota Statutes 1990, section 469.190, subdivision 7, is amended to read:

Subd. 7. [COLLECTION.] The statutory or home rule charter city, town, or county may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by the commissioner together with the tax imposed by chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 25. Laws 1980, chapter 511, section 1, subdivision 2, is amended to read:

Subd. 2. Notwithstanding Minnesota Statutes, Section 477A.01, Subdivision 18, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales

tax of up to one percent on sales transactions which are described in Minnesota Statutes, Section 297A.01, Subdivision 3, Clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. ~~The tax imposed pursuant to this subdivision shall terminate no later than December 31, 1992.~~

Sec. 26. Laws 1983, chapter 342, article 19, section 1, is amended to read:

Section 1. [SALES AND USE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city, *and may also, by ordinance, impose an additional compensating use tax of up to one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the city.*

Sec. 27. Laws 1986, chapter 462, section 31, is amended to read:

Sec. 31. [AUTHORITY FOR TAXATION.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city of St. Paul may impose, by ordinance, a tax, at a rate not greater than ~~two~~ *three* percent, on the gross receipts from the furnishing for consideration of lodging at a hotel, rooming house, tourist court, motel, or resort, other than the renting or leasing of space for a continuous period of 30 days or more. The tax does not apply to the furnishing of lodging by a business having less than 50 lodging rooms. The tax shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues generated by this tax shall be used to fund a convention bureau to market and promote the city as a tourist or convention center.

Sec. 28. Laws 1990, chapter 604, article 6, section 9, subdivision 1, is amended to read:

Sec. 9. [BLOOMINGTON LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in Laws 1986, chapter 391, section 4, the governing body of the city of Bloomington may impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. The proceeds of the tax must be used ~~to promote the metropolitan sports area defined in Minnesota Statutes, section 473.551, subdivision 5~~ *by the Bloomington convention bureau only to market and promote the city as a tourist or convention center. If the duties of the convention bureau as they existed on January 1, 1991, are assigned to another agency, the tax shall cease.*

Subd. 1a. [LOCAL APPROVAL.] *Subdivision 1 takes effect the day after*

*the governing body of the city of Bloomington complies with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 29. Laws 1990, chapter 604, article 6, section 11, is amended to read:

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for sales after June 30, 1990.

Section 4 is effective for sales after December 31, ~~1983~~ 1982. The provisions of Minnesota Statutes, section 297A.35, apply to refunds claimed under section 4.

Section 5 is effective for transactions occurring on or after December 1, 1989.

Sections 6 to 8 are effective February 1, 1990. Any tax increase adopted by action of a city council after February 1, 1990, under Minnesota Statutes, section 469.190, that results in a tax rate that exceeds three percent is ineffective the day following final enactment of this act.

Section 9 is effective the day following final enactment.

Section 10 is effective the day following final enactment, but only if the legislature authorizes the issuance of bonds for the construction of the facility during its 1990 session.

Sec. 30. [CITY OF MANKATO; SALES TAX.]

*Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.*

*Subd. 2. [EXCISE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.*

*Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing and operating facilities as part of an urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of Riverfront 2000 and related facilities, and securing or paying debt service on bonds or other obligations issued to finance the construction of Riverfront 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related facilities" means a civic-convention center, an arena, a riverfront park, and all publicly owned real or personal property that the governing body of the city determines will be necessary to facilitate the use of these facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and landscaping.*

*Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax shall expire when the*

*principal and interest on any bonds or obligations issued to finance construction of Riverfront 2000 and related facilities have been paid or at an earlier time as the city shall, by ordinance, determine. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues received from the taxes authorized by subdivisions 1 and 2, excluding investment earnings on bond proceeds and revenues, shall not exceed \$25,000,000 for Riverfront 2000 and related facilities.*

*Subd. 5. [BONDS.] The city of Mankato may issue general obligation bonds of the city in an amount not to exceed \$25,000,000 for Riverfront 2000 and related facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to pay them. The debt represented by bonds issued for Riverfront 2000 and related facilities shall not be included in computing any debt limitations applicable to the city of Mankato, and the levy of taxes required by section 475.61 to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.*

*Subd. 6. [REVERSE REFERENDUM.] If the Mankato city council intends to exercise the authority provided by this section, it shall pass a resolution stating the fact before July 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991. This subdivision applies notwithstanding any city charter provision to the contrary.*

*Subd. 7. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] A sales tax imposed under this section shall be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect state-wide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.*

*Subd. 8. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato, provided that the tax must be imposed and its rate fixed before December 31, 1992.*

**Sec. 31. [WINONA LODGING TAX.]**

*Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in section 469.190, the city of Winona may, by ordinance, impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. The city may, by ordinance, impose the tax authorized under this section on the camping site receipts of a municipal campground.*

*Fifty percent of the proceeds of this tax shall be used to retire the indebtedness of the Julius C. Wilke Steamboat Center and the balance shall be used in the manner directed in Minnesota Statutes, section 469.190, subdivision 3. Upon retirement of the debt, the council shall by ordinance reduce the tax by one-half percent or dedicate the entire one percent in the manner directed in section 469.190, subdivision 3.*

*The tax shall be collected in the same manner as other taxes authorized under Minnesota Statutes, section 469.190.*

*Subd. 2. [LOCAL APPROVAL.] Subdivision 1 takes effect the day after the governing body of the city of Winona complies with Minnesota Statutes, section 645.021, subdivision 3.*

**Sec. 32. [CITIES OR TOWNS IN HENNEPIN AND RAMSEY COUNTIES; LODGING TAX PROCEEDS.]**

*Notwithstanding the provisions of Minnesota Statutes, section 469.190, subdivision 3, the proceeds of a tax imposed under Minnesota Statutes, section 469.190, subdivision 1, by a statutory or home rule charter city or town located in Hennepin or Ramsey county may be used for any purpose otherwise permitted by law.*

**Sec. 33. [REFUNDS.]**

*No refunds may be paid under section 20 unless the claimant can demonstrate to the commissioner of revenue that the refunds will be paid to those who paid the tax.*

**Sec. 34. [REPEALER.]**

*Minnesota Statutes 1990, section 297A.257, and Laws 1986, chapter 399, article 1, section 5, are repealed.*

**Sec. 35. [EFFECTIVE DATE.]**

*Section 1 is effective for snowmobiles registered after September 1, 1991. Section 2 is effective for watercraft registered after September 1, 1991. Sections 3 to 5 are effective for purchases made after June 30, 1991. Section 6 is effective for the June 1992 payment and thereafter. Sections 8, 14, and 16 are effective July 1, 1991. Section 13 is effective for leases or rentals of motor vehicles after June 30, 1991. Section 15 is effective July 1, 1989. Section 22 is effective July 1, 1990. Sections 7, 9 to 12, 18, 19, 23, 24, and 32 are effective for sales after June 30, 1991. Section 20 is effective for sales of wine after December 31, 1987. Section 25 is effective the day after approval in compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city council of Duluth. Sections 27 and 29 are effective the day following final enactment. Section 26 is effective January 1, 1984.*

ARTICLE 8  
SPECIAL TAXES

Section 1. Minnesota Statutes 1990, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums *paid by employers to the fund* are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 2. Minnesota Statutes 1990, section 60A.19, subdivision 8, is amended to read:

Subd. 8. [INSURANCE FROM UNLICENSED FOREIGN COMPANIES.] Any person, firm, or corporation desiring to obtain insurance upon any property, interests, or risks of any nature other than life insurance in this state in companies not authorized to do business therein shall give bond to the commissioner of commerce in such sum as the commissioner shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the commissioner of revenue, for the use of the state, a tax of two percent upon the gross premiums paid by the licensee. Thereupon the commissioner of commerce shall issue such license, good for one year, and all insurance procured thereunder shall be lawful and valid and the provisions of all policies thereof shall be deemed in accordance, and construed as if identical in effect, with the standard policy prescribed by the laws of this state and the insurers may enter the state to perform any act necessary or proper in the conduct of the business. This bond may be enforced by the commissioner of commerce in the commissioner's name in any district court. The licensee shall file with the commissioner of commerce on June 30 and December 31 annually a verified statement of the aggregate premiums paid and returned premiums received on account of such insurance.

*The commissioner of revenue, or duly authorized agents, may conduct investigations, inquiries, and hearings to enforce the tax imposed by this subdivision and, in connection with those investigations, inquiries, and hearings, the commissioner and duly authorized agents have all the powers conferred by section 270.06.*

Sec. 3. Minnesota Statutes 1990, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

*Subdivision 1.* [SURCHARGE.] The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or

otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and October 31 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

*Subd. 2. [ENFORCEMENT.] The commissioner, or duly authorized agents, may conduct investigations, inquiries, and hearings to enforce the surcharge imposed by subdivision 1 and, in connection with those investigations, inquiries, and hearings, the commissioner and duly authorized agents have the powers conferred upon the commissioner and examiners by section 270.06.*

Sec. 4. Minnesota Statutes 1990, section 270.60, is amended to read:  
270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

*Subdivision 1. [TAXES PAID BY INDIANS.] The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the ~~Indian residents of total resident population on or adjacent to~~ a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes. *The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force.**

*Subd. 2. [CIGARETTE TAXES.] The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.*

*Subd. 3. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.*

Sec. 5. Minnesota Statutes 1990, section 295.01, subdivision 10, is amended to read:

*Subd. 10. [TELEPHONE COMPANY.] The term "telephone company" as used in this chapter means any person, firm, association or corporation, excluding municipal telephone companies, owning or operating any telephone line or telephone exchange for hire wholly or partly within this state, including radio and other advancements in the art of telephony and sellers of telephone services, but excluding resellers ~~and cellular radio~~. "Resellers of telephone services" as used in this chapter means any person, firm, association, or corporation that:*

- (1) resells telecommunications services purchased from telephone companies as defined in this chapter;*
- (2) does not own, operate, manage, or control transmission facilities that have the technological capability to provide telecommunication services;*

and

(3) incurs costs equal to at least 50 percent of its gross revenues for the telephone services purchased from telephone companies that own, operate, manage, or control transmission facilities.

Sec. 6. Minnesota Statutes 1990, section 295.34, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings, including long distance access charges, of the preceding calendar year derived from business within this state:

(a) for gross earnings from service to rural subscribers and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less

~~for calendar years beginning before December 31, 1988, four percent,~~

~~for calendar year 1989, three percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of four percent,~~

~~for calendar year 1990 years 1991 and 1992, 1.5 percent,~~

~~for calendar year 1991 1993, one 1.25 percent, provided the estimated tax payments on March 15 and June 15, 1993, under section 295.365, must be made as if the tax were imposed at a rate of 1.5 percent, and~~

~~for calendar years beginning after December 31, 1991 1993, exempt; and~~

(b) for gross earnings derived from all other business

~~for calendar years beginning before December 31, 1988, seven percent,~~

~~for calendar year 1989, 5.5 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of seven percent,~~

~~for calendar year 1990 years 1991 and 1992, three percent,~~

~~for calendar year 1991 1993, 2.5 2.75 percent, provided that the estimated tax payments on March 15 and June 15, 1993, under section 295.365 must be made as if the tax were imposed at a rate of three percent, and~~

~~for calendar years beginning after December 31, 1991 1993, exempt.~~

A tax shall not be imposed on the gross earnings of a telephone company from business originating or terminating outside of Minnesota, ~~except that the gross earnings tax is imposed on all long distance access charges allocated to interstate service received in payment from a telephone company before December 31, 1989.~~

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed beginning in 1989, payable in 1990, and sales and use taxes imposed as a result of chapter 297A. All money paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

(c) ~~For the period January 1, 1984 through December 31, 1986, all money~~



paid by a company for connecting fees and switching charges, including carriers access charges except that portion paid for directory assistance and billing and collection services, to any other company must be reported as earnings by the company to which they are paid, but are not deemed to be earnings of the collecting and paying company.

(d) Gross earnings include customer access charges. Customer access charges are not gross earnings from business originating or terminating outside of Minnesota for purposes of the gross earnings tax. Customer access charges include the flat rate monthly charges received by a telephone company from its customers, that are authorized by the Federal Communications Commission and that compensate a telephone company for the cost of a local telephone plant to the extent attributable to interstate service.

Sec. 7. [295.367] [TAX ON 900 PAY-PER-CALL SERVICES.]

*Subdivision 1. [TAX IMPOSED.] A tax at a rate of 7.5 percent is imposed on the gross earnings of a billing agency from providing the services described in subdivision 2, paragraph (c), for calls placed to 900 services after August 31, 1991.*

*Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.*

*(b) "900 service" means pay-per-call 900 information services provided through a telephone exchange, commonly accessed by dialing 1-900, 1-960, 1-976, or other similar prefix.*

*(c) "Billing agency" means the person or entity responsible for billing and collection of the charges for 900 services from the purchaser of the service.*

*Subd. 3. [PAYMENT; ADMINISTRATION.] (a) If the billing agency is a telephone company, the tax must be paid, collected, and administered at the times and in the manner provided for the gross earnings tax, and the tax shall be considered a tax imposed under sections 295.34 to 295.366.*

*(b) If the billing agency is not a telephone company, the tax shall be paid, collected, and administered as if the tax were a sales tax imposed under section 297A.02 and all the rules applicable under chapters 270B, 289A, and 297A apply to the tax.*

Sec. 8. Minnesota Statutes 1990, section 296.01, subdivision 25, is amended to read:

Subd. 25. [ALTERNATE FUEL PERMIT.] "Alternate fuel permit" means a permit issued annually to a person owning a motor vehicle propelled by compressed natural gas or, propane, or any other manner except gasoline or special fuel, for a fee imposed in lieu of payment of the gasoline excise tax imposed by sections 296.02 and 296.025.

Sec. 9. Minnesota Statutes 1990, section 296.026, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL ALTERNATE FUEL PERMIT.] ~~Any~~ A person owning a motor vehicle propelled by compressed natural gas or, propane, or any other manner except gasoline or special fuel, shall obtain an annual permit for ~~each such~~ that vehicle in accordance with subdivision 2 or 2a. The period for which the alternate fuel permit is valid must coincide with the motor vehicle registration period of the vehicle. A person shall obtain all required permits within 30 days of becoming a user of compressed natural

gas or, propane, or any other method of propulsion except gasoline or special fuel.

Sec. 10. Minnesota Statutes 1990, section 296.026, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES IMPOSED.] The fees for annual alternate fuel permits are based on each vehicle's mileage in the preceding year and are as follows:

Gross Vehicle Weight	Fee
Under <del>6,000</del> 6,001 pounds	\$8.80 per 1,000 miles
6,001 - 12,000 pounds	\$10.60 per 1,000 miles
12,001 - 18,000 pounds	\$18.80 per 1,000 miles
18,001 - 26,000 pounds	\$27.10 per 1,000 miles
26,001 - 36,000 pounds	\$31.80 per 1,000 miles
Over 36,000 pounds	\$40.00 per 1,000 miles

~~A log with validating receipts pertaining to the vehicle's out of state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee charged under this section must be based on 15,000 miles driven within the state.~~

~~The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.~~

Sec. 11. Minnesota Statutes 1990, section 296.026, is amended by adding a subdivision to read:

Subd. 2a. [OPTIONAL METHOD OF DETERMINING PERMIT FEES.]  
 (a) *The owner of a motor vehicle covered by this section may, at the owner's option, pay a permit fee determined under this subdivision if the vehicle is capable of being propelled by gasoline as well as compressed natural gas or propane.*

*(b) The fee for a permit under this subdivision is based on each vehicle's mileage in the previous year while propelled by compressed natural gas or propane and are as follows:*

*(1) for a vehicle with a gross vehicle weight under 6,001 pounds, .9 cents a mile; or*

*(2) for a vehicle with a gross vehicle weight of 6,001 pounds to 12,000 pounds, one cent a mile; or*

*(3) for a vehicle with a gross vehicle weight of 12,001 to 18,000 pounds, 1.9 cents a mile; or*

*(4) for a vehicle with a gross vehicle weight of 18,001 to 26,000 pounds, 2.7 cents a mile; or*

*(5) for a vehicle with a gross vehicle weight of 26,001 to 36,000 pounds, 3.2 cents a mile; or*

*(6) for a vehicle with a gross vehicle weight over 36,000 pounds, 4 cents a mile.*

*An owner opting to pay a fee calculated under this subdivision shall*

*submit a log, with validating receipts pertaining to the vehicle's mileage while propelled by compressed natural gas or propane and its mileage while propelled by gasoline, to the commissioner of public safety upon application for the permit.*

Sec. 12. Minnesota Statutes 1990, section 296.026, is amended by adding a subdivision to read:

*Subd. 2b. [MILEAGE CALCULATIONS.] A log with validating receipts pertaining to the vehicle's out-of-state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee must be based on 15,000 miles driven within the state for a fee determined under subdivision 2 or 7,500 miles driven within the state for a fee determined under subdivision 2a.*

*The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.*

Sec. 13. Minnesota Statutes 1990, section 296.026, subdivision 7, is amended to read:

*Subd. 7. [FEES IN LIEU OF GAS TAX.] The permit fees collected under subdivision 2 are in lieu of the gasoline excise tax imposed by sections 296.02 and 296.025. Compressed natural gas or, propane sold, or any other method of propulsion sold as fuel for motor vehicles displaying valid annual alternate fuel permit stickers is not subject to any tax at the time of sale. All alternate fuel permit fees collected by the department of public safety must be deposited in the state treasury and credited to the highway user tax distribution fund.*

Sec. 14. [296.165] [UNTAXED GASOLINE AND SPECIAL FUEL; SEIZURE AND FORFEITURE.]

*Subdivision 1. [SEIZURE.] The commissioner or authorized designees may seize gasoline or special fuel being transported for delivery in violation of section 296.06, subdivision 1, and any vehicle or other method of conveyance used for transporting the gasoline or special fuel. Property seized under this subdivision is subject to forfeiture as provided in subdivisions 2 and 3.*

*Subd. 2. [INVENTORY.] Within two days after the seizure of gasoline or special fuel, the person making the seizure shall deliver an inventory of the property seized to the person from whom the seizure was made, if known, and file a copy with the office of the commissioner. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the commissioner a demand for a judicial determination of whether the property was lawfully subject to seizure and forfeiture. The commissioner, within 30 days of demand for a judicial determination, shall begin an action in the district court of the county where the seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved. When a judgment of forfeiture is entered, the commissioner may, unless the judgment is stayed pending an appeal, either*

(1) cause the forfeited property to be destroyed; or (2) cause it to be sold at public auction as provided by law. Proceeds of a sale, after deducting the expense of keeping the gasoline or special fuel and costs of the sale, must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred. If a demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the commissioner and redelivered to the person entitled to it. If no demand is made, the property seized must be considered forfeited to the state by operation of law and may be disposed of by the commissioner as provided where there has been a judgment of forfeiture. When the commissioner is satisfied that a person from whom property is seized under this chapter was acting in good faith and without intent to evade the tax, the commissioner shall release the property seized, without further legal proceedings.

Subd. 3. [CONVEYANCES.] (a) The commissioner or authorized designees shall file with the court a separate complaint against the vehicle or conveyance, describing it and charging its use in the specified violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served on the defendant or person in charge of the vehicle or conveyance at the time of seizure, if any. The court shall issue an order directed to any person known or believed to have a right or title to, interest in, or lien on the vehicle or conveyance and to persons unknown claiming a right, title, interest, or lien:

(1) describing the vehicle or conveyance and stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court;

(2) requiring the persons to file with the court administrator of the court their answer to the complaint, setting forth any claim they may have to a right or title to, interest in, or lien on the vehicle or conveyance, within ten days after the service of the order; and

(3) notifying them in substance that if they fail to file their answer within that time the vehicle or conveyance will be ordered sold by the commissioner.

(b) The court shall cause the order to be served on:

(1) the registered owner;

(2) any person who has duly filed a conditional sales contract, mortgage, or other lien instrument covering the property unless it has been released or satisfied;

(3) any other person known or believed to have a right, title, interest in, or lien upon, the vehicle or conveyance as in the case of a summons in a civil action; and

(4) on unknown persons by publication, as provided for service of summons in a civil action.

(c) If no answer is filed within the time prescribed, the court shall, on affidavit by the court administrator of the court setting forth that fact, order the vehicle or conveyance forfeited and direct that it be sold by the commissioner or the commissioner's agents. The proceeds of the sale, after deducting the expense of keeping the vehicle or conveyance and costs of the sale, including any costs incurred pursuant to paragraph (f), must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred.

*(d) If an answer is filed within the time provided, the court shall fix a time for hearing at least ten but no more than 30 days after the time for filing the answer expires. At the hearing, the matter must be heard and determined by the court, without a jury, as in other civil actions. If the court finds that the vehicle or conveyance, or any part of it, was used in a violation as specified in the complaint, it shall order the vehicle or conveyance forfeited and direct that it be sold, as provided in this section, unless the owner shows to the satisfaction of the court that the vehicle was being used without the owner's consent or that, when giving the consent, the owner had no notice or knowledge or reason to believe that the vehicle or conveyance was intended to be used in a violation. After deducting the expense of keeping the vehicle or conveyance and costs of the sale, the officer making the sale shall pay, according to their priority, all liens established at the hearing as being bona fide and existing without the lienor having any notice or knowledge at the time the lien was created that the vehicle or conveyance was being used or was intended to be used in connection with any violation, and shall pay the balance of the proceeds into the state treasury. The commissioner shall reimburse designees for costs incurred. A sale under this section frees the conveyance sold from all liens.*

*(e) At any time after seizure and before the hearing, the vehicle or conveyance must be returned to the owner or person having a legal right to its possession on execution by that person of a valid bond to the state of Minnesota, with corporate surety, of at least \$100 but not more than double the value of the vehicle or conveyance seized, to be approved by the court in which the case is triable, or a judge of that court. The bond must guarantee compliance with the order and judgment of the court, and, if ordered by the court, payment of the full value of the vehicle or conveyance at the time of seizure.*

*(f) If the seized vehicle or conveyance is owned or operated by a for-hire common or contract motor carrier, and was being used without knowledge of the violation, the commissioner shall return the vehicle or conveyance to its owner or operator as soon as possible without need for court order, and shall provide to such owner or operator reasonable compensation for the time during which the vehicle or conveyance is held pursuant to seizure.*

Sec. 15. Minnesota Statutes 1990, section 297.01, subdivision 7, is amended to read:

Subd. 7. "Distributor" means any and each of the following:

(1) any person engaged in the business of selling cigarettes in this state and who manufactures or who brings, or causes to be brought, into this state from without the state any packages of cigarettes for sale to subjobbers or retailers;

(2) any person engaged in the business without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers;

(3) any person who is on direct purchase from a cigarette manufacturer and applies cigarette stamps or indicia on at least 50 percent of cigarettes sold by that person.

A distributor who also sells at retail must maintain a separate inventory, substantiated with invoices for cigarettes that were acquired for retail sale.

A distributor may transfer another state's stamped cigarettes to another distributor for the purpose of resale in the other state.

Sec. 16. 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, ~~49~~ 21.5 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~38~~ 43 mills on each such cigarette.

Sec. 17. Minnesota Statutes 1990, section 297.03, subdivision 1, is amended to read:

Subdivision 1. [STAMP PUT ON BY DISTRIBUTOR.] Except as otherwise provided in this section payment of the tax imposed by section 297.02 shall be evidenced by stamps affixed to each package. Before delivering, or causing to be delivered, any package to any person in this state, every distributor shall firmly affix to each package of cigarettes *appropriate* stamps in amounts equal to the tax on those cigarettes as provided for in section 297.02.

Sec. 18. Minnesota Statutes 1990, section 297.03, subdivision 2, is amended to read:

Subd. 2. [TIME OF AFFIXING STAMP.] The commissioner may require, in all cases where cigarettes are shipped into this state by any licensed distributor from without this state, that the *appropriate* stamp shall be affixed to the package at the time the same enters this state.

Sec. 19. Minnesota Statutes 1990, section 297.03, subdivision 4, is amended to read:

Subd. 4. [STAMPS; DESIGN, PRINTING.] The commissioner shall adopt the design of ~~the two stamps and~~. *One stamp shall be designed for application to cigarette packages destined for retail sale on an Indian reservation which is a party to an agreement pursuant to section 270.60, subdivision 2, and only to those packages. A second stamp shall be designed for all other cigarette packages subject to the provisions of this chapter. The commissioner shall arrange for the printing thereof in such amounts and denominations as the commissioner deems necessary.*

Sec. 20. 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 ~~4.25~~ 1.1 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~~ .65 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. 21. Minnesota Statutes 1990, section 297.03, subdivision 6, is amended to read:

Subd. 6. [~~TAX METER MACHINES; STAMPING MACHINES.~~] (a) ~~Before July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5.~~

(b) ~~After June 30, 1990, The commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.~~

~~(c) (b) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.~~

~~(d) (c) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.~~

Sec. 22. Minnesota Statutes 1990, section 297.07, subdivision 5, is amended to read:

Subd. 5. [OFFSET.] Upon audit, if a distributor's return reflects an overage *resulting from an inventory counting error*, the overage shall be offset against a shortage, if any, in the month immediately preceding the month of the overage. If any overage remains after that offset, the remainder may only be offset against a shortage, if any, in the month immediately following the month of the overage. *If the commissioner determines that the overage is attributable to a mistake by the distributor other than an inventory counting error, the commissioner may permit the overage to be offset against a shortage in any month or months during the 12-month period immediately following the month when the overage was discovered upon audit.*

Sec. 23. Minnesota Statutes 1990, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp

required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

(6) *All packages obtained in violation of section 297.11, subdivision 6.*

(7) *All packages offered for sale or held as inventory in violation of section 297.11, subdivision 7.*

Sec. 24. Minnesota Statutes 1990, section 297.11, subdivision 1, is amended to read:

Subdivision 1. ~~[COUNTERFEITING, TAMPERING WITH TAX METER.]~~ No person shall, with intent to defraud the state, make, alter, forge, or counterfeit any license or stamp provided for in sections 297.01 to 297.13 or have in possession any forged, spurious, or altered stamps, ~~or tamper with or reset any tax meter machine~~ with the intent, or with the result, of depriving the state of the tax imposed by sections 297.01 to 297.13.

Sec. 25. Minnesota Statutes 1990, section 297.11, is amended by adding a subdivision to read:

*Subd. 6. [PROHIBITION AGAINST SALES BY UNLICENSED SELLERS.] No retailer or subjobber shall purchase cigarettes from any person who is not licensed under section 297.04 as a cigarette distributor or subjobber.*

Sec. 26. Minnesota Statutes 1990, section 297.11, is amended by adding a subdivision to read:

*Subd. 7. [SALE OF PACKAGES WITH INDIAN STAMP.] No retailer doing business off of an Indian reservation shall offer for sale or possess as inventory packages affixed with the stamp designed for Indian reservations.*

Sec. 27. 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~~ 45 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. 28. 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~~ 45 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. 29. 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~~ 1.2 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 30. [297.385] [PROHIBITION.]

*Subdivision 1. [SALES BY UNLICENSED SELLERS.] No retailer or subjobber shall purchase tobacco products from any person who is not licensed under section 297.33 as a tobacco products distributor or subjobber.*

*Subd. 2. [SEIZURE.] Tobacco products purchased in violation of subdivision 1 may be seized by the commissioner or authorized agents or by any sheriff or other police officer, with or without process, and shall be subject to forfeiture as provided in section 297.08, subdivision 3.*

Sec. 31. Minnesota Statutes 1990, section 297.43, is amended by adding a subdivision to read:

*Subd. 10. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or other provision of the criminal laws of this state, an indictment*

*may be found and filed or a complaint filed upon a criminal offense specified in this chapter, in the proper court within six years after the offense is committed.*

Sec. 32. Minnesota Statutes 1990, section 297C.03, subdivision 6, is amended to read:

Subd. 6. [INFORMATIONAL RETURNS.] Manufacturers, wholesalers, and importers licensed to ship distilled spirits or wine into Minnesota shall file with the commissioner a monthly informational report on a form prescribed by the commissioner. No payment of any tax is required to be remitted with this report. The report must be filed on or before the tenth day following the end of each calendar month, regardless of whether or not any shipments were made into Minnesota during the previous month, *unless the commissioner determines that a longer filing period is appropriate for a particular manufacturer, wholesaler, or importer.* A person failing to file this ~~monthly~~ report is subject to the provisions of section 297C.14, subdivision 8.

Sec. 33. Minnesota Statutes 1990, section 297C.10, is amended by adding a subdivision to read:

*Subd. 3. [PHYSICAL INVENTORY.] The commissioner of revenue or the commissioner's authorized agents may, upon request but not more than twice annually, require a brewer, manufacturer, wholesaler, or retailer to furnish a physical inventory of all wine and distilled spirits in stock. The inventory must contain the information that the commissioner requests and must be certified by an officer of the corporation.*

Sec. 34. Minnesota Statutes 1990, section 297D.01, subdivision 3, is amended to read:

Subd. 3. ~~"Dealer"~~ "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of marijuana, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of marijuana or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the ~~dealer's~~ *tax obligor's* possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Sec. 35. Minnesota Statutes 1990, section 297D.02, is amended to read:

297D.02 [ADMINISTRATION.]

The commissioner of revenue shall administer this chapter. Payments required by this chapter must be made to the commissioner on the form provided by the commissioner. ~~Dealers~~ *Tax obligors* are not required to give their name, address, social security number, or other identifying information on the form. The commissioner shall collect all taxes under this chapter.

Sec. 36. Minnesota Statutes 1990, section 297D.04, is amended to read:

297D.04 [TAX PAYMENT REQUIRED FOR POSSESSION.]

No ~~dealer~~ *tax obligor* may possess any marijuana or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the marijuana or other controlled substance as evidenced by a stamp

or other official indicia.

Sec. 37. Minnesota Statutes 1990, section 297D.05, is amended to read:  
297D.05 [NO IMMUNITY.]

Nothing in this chapter may in any manner provide immunity for a ~~dealer~~ *tax obligor* from criminal prosecution pursuant to Minnesota law.

Sec. 38. Minnesota Statutes 1990, section 297D.07, is amended to read:  
297D.07 [MEASUREMENT.]

For the purpose of calculating the tax under section 297D.08, a quantity of marijuana or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the ~~dealer's~~ *tax obligor's* possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Sec. 39. Minnesota Statutes 1990, section 297D.09, subdivision 1, is amended to read:

Subdivision 1. [PENALTIES.] Any ~~dealer~~ *tax obligor* violating this chapter is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 297D.08. The penalty will be collected as part of the tax.

Sec. 40. Minnesota Statutes 1990, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. [CRIMINAL PENALTY; SALE WITHOUT AFFIXED STAMPS.] In addition to the tax penalty imposed, a ~~dealer~~ *tax obligor* distributing or possessing marijuana or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Sec. 41. Minnesota Statutes 1990, section 297D.11, is amended to read:  
297D.11 [PAYMENT DUE.]

Subdivision 1. [STAMPS AFFIXED.] When a ~~dealer~~ *tax obligor* purchases, acquires, transports, or imports into this state marijuana or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the ~~dealer~~ *tax obligor* shall have them permanently affixed on the marijuana or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. [PAYABLE ON POSSESSION.] Taxes imposed upon marijuana or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a ~~dealer~~ *tax obligor*.

Sec. 42. Minnesota Statutes 1990, section 297D.12, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT PROCEDURE.] An assessment for a ~~dealer~~ *tax obligor* not possessing valid stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270.70. The commissioner shall assess a tax and applicable penalties based on personal knowledge or information available to the commissioner; mail the taxpayer at the taxpayer's last known

address or serve in person, a written notice of the amount of tax and penalty; demand its immediate payment; and, if payment is not immediately made, collect the tax and penalty by any method prescribed in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270.

Sec. 43. Minnesota Statutes 1990, section 297D.13, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE PROHIBITED.] Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a report or return required by this chapter or any information obtained from a ~~dealer~~ *tax obligor*; nor can any information contained in such a report or return or obtained from a ~~dealer~~ *tax obligor* be used against the ~~dealer~~ *tax obligor* in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this chapter from the ~~dealer~~ *tax obligor* making the return.

Sec. 44. Minnesota Statutes 1990, section 297D.13, subdivision 3, is amended to read:

Subd. 3. [STATISTICS.] This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of ~~dealers~~ *tax obligors* or the contents of particular returns or reports.

Sec. 45. Minnesota Statutes 1990, section 297D.14, is amended to read:

297D.14 [INVESTIGATORY POWERS.]

For the purpose of determining the correctness of any return, determining the amount of tax that should have been paid, determining whether or not the ~~dealer~~ *tax obligor* should have made a return or paid taxes, or collecting any taxes under this chapter, the commissioner may examine, or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making such determinations, whether the books, papers, records, or memoranda, are the property of or in the possession of the ~~dealer~~ *tax obligor* or another person. The commissioner may require the attendance of any person having knowledge or information that may be relevant, compel the production of books, papers, records, or memoranda by persons required to attend, take testimony on matters material to the determination, and administer oaths or affirmations. Upon demand of the commissioner or any examiner or investigator, the court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, and memoranda. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter is punishable by the district court of the district in which the subpoena is issued, or, if the subpoena is issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of district court.

Sec. 46. Minnesota Statutes 1990, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) *In the absence of proof of a lesser or higher cost*, the cost of doing business by the wholesaler is presumed to be four percent of the basic cost

of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, ~~in the absence of proof of a lesser or higher cost~~. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost. *A manufacturer's timely payment and stamping discounts and any other discounts or rebates shall not be deducted in determining the cost of doing business by the wholesaler, whether it is determined under the percentage formula set forth in this paragraph or proof of actual cost.*

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

Sec. 47. [325D.405] [INVESTIGATIONS.]

*The commissioner or duly authorized agents may conduct investigations to determine compliance with the provisions of sections 325D.30 to 325D.42 and, in connection with such investigations, the commissioner and duly authorized agents have all the powers conferred upon the commissioner by section 270.06.*

Sec. 48. Minnesota Statutes 1990, section 325D.415, is amended to read:  
325D.415 [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund, *and is available upon appropriation to the commissioner of revenue to be used for the administration and enforcement of sections 325D.30 to 325D.415.*

Sec. 49. [451.10] [MUNICIPAL FRANCHISE FEES.]

*Subdivision 1. [AUTHORITY.] A municipality may contract with a public utility furnishing natural, manufactured, or mixed gas, or electricity in the*

*municipality to obtain a license or franchise in accordance with the ordinances or regulations of the municipality and to pay a franchise fee, not exceeding three percent, based on the gross operating revenues or gross earnings from the utility's operations in the municipality. If a municipality imposes a franchise fee under this section, the fee must be imposed at the same rate on each public utility furnishing natural, manufactured, or mixed gas or electricity in the municipality.*

*Subd. 2. [EXEMPTION.] The gross earnings or operating revenues from the utility's operations in the municipality do not include (1) revenue derived from the sale of natural, manufactured or mixed gas, or electricity by the public utility to another public utility for resale; or (2) revenues of the public utility which the municipality and the public utility agree are subject to competition from other energy sources that are not subject to the franchise fee.*

*Subd. 3. [DEFINITIONS.] "Public utility" has the meaning given in section 216B.02, except it also includes (1) a cooperative electric association organized under chapter 308A, and (2) a public utility whose total natural gas business consists of supplying natural, manufactured or mixed gas to no more than 650 customers within the municipality.*

*"Municipality" means a statutory or home rule charter city or a county for earnings derived from service provided in the unincorporated area of the county.*

*Subd. 4. [PREEMPTION.] (a) The provisions of this section are the exclusive authority for municipalities to collect fees on electricity or gas utility franchises or licenses. This section does not affect the validity of a franchise or license imposing a fee or charge enacted before June 1, 1991, and such a franchise or license remains effective, except that the municipality may not increase the rate of the charge after June 1, 1991. If a utility franchise expires or otherwise terminates and the franchise fee was imposed at a rate higher than three percent, the municipality may impose a fee for a new franchise to provide the same utility service at the same or a lower rate.*

*(b) This section shall not be construed to preempt the regulation of public utilities under other state or federal law.*

Sec. 50. Laws 1987, chapter 268, article 11, section 12, is amended to read:

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 3 and 6 to 11, paragraph (a), are effective for all tax years after December 31, 1986. Section 11, paragraph (b), is effective beginning calendar year ~~1992~~ 1994.

Sec. 51. [FLOOR STOCKS TAXES.]

*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, 2.5 mills on each cigarette;*

*(2) on cigarettes weighing more than three pounds a thousand, 5 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. [TOBACCO PRODUCTS.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor of tobacco products, at the rate of ten percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1991.*

*Each distributor, by July 8, 1991, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products 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.*

*Subd. 3. [AUDIT AND ENFORCEMENT.] The taxes imposed by this section are 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. 4. [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. 52. [REPEALER.]

*Minnesota Statutes 1990, section 296.028, is repealed.*

#### Sec. 53. [EFFECTIVE DATE.]

*Section 1 is effective retroactive to August 1, 1990. Sections 5, 16, 20, 27, 28, 29, 32, and 33 are effective July 1, 1991. Section 6 is effective for calendar years beginning after December 31, 1990. Sections 8 to 13 are effective for permits issued after June 30, 1991. Sections 14 and 22 are effective the day following final enactment. Section 31 is effective for offenses committed after June 30, 1988. Sections 17 to 19, 23, 25, 26, and 30 are effective January 1, 1992.*

### ARTICLE 9

#### TAX INCREMENT FINANCING

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 qualified manufacturing district*, for which certification was requested after April 30, 1990; **and**

(2) *the captured tax capacity of a qualified manufacturing district, 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:*

<i>Number of Years</i>	<i>Percentage</i>
<i>1</i>	<i>0</i>
<i>2</i>	<i>20</i>
<i>3</i>	<i>40</i>
<i>4</i>	<i>60</i>
<i>5</i>	<i>80</i>
<i>6 or more</i>	<i>100;</i>

(3) *the captured tax capacity of a new or the expanded part of an existing 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.*

<i>Number of years</i>	<i>Renewal and Renovation Districts</i>	<i>All other Districts</i>
<i>0 to 5</i>	<i>0</i>	<i>0</i>
<i>6</i>	<i>12.5</i>	<i>6.25</i>
<i>7</i>	<i>25</i>	<i>12.5</i>
<i>8</i>	<i>37.5</i>	<i>18.75</i>
<i>9</i>	<i>50</i>	<i>25</i>
<i>10</i>	<i>62.5</i>	<i>31.25</i>
<i>11</i>	<i>75</i>	<i>37.5</i>
<i>12</i>	<i>87.5</i>	<i>43.75</i>
<i>13</i>	<i>100</i>	<i>50</i>
<i>14</i>	<i>100</i>	<i>56.25</i>
<i>15</i>	<i>100</i>	<i>62.5</i>
<i>16</i>	<i>100</i>	<i>68.75</i>
<i>17</i>	<i>100</i>	<i>75</i>
<i>18</i>	<i>100</i>	<i>81.25</i>
<i>19</i>	<i>100</i>	<i>87.5</i>
<i>20</i>	<i>100</i>	<i>93.75</i>
<i>21 or more</i>	<i>100</i>	<i>100</i>

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.

(c) *"Qualified manufacturing district" means an economic development*



*district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (1) has a population under 10,000 according to the last federal census and (2) is wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget.*

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 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. 4. Minnesota Statutes 1990, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL NET TAX CAPACITY.] (a) Except as provided in paragraph (b), "original net tax capacity" means the tax capacity of all taxable real property within a tax increment financing district as ~~most recently~~ certified by the commissioner of revenue ~~as of the date of for the previous assessment year, provided that the request by an authority for certification by of a new tax increment financing district or for the expansion of an existing district has been made to the county auditor, by June 30. The original tax capacity of districts for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original net tax capacity the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.~~

(b) The original net tax capacity of any designated hazardous substance site or hazardous substance subdistrict shall be determined as of the date the authority certifies to the county auditor that the authority has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan. The original net tax capacity equals (i) the net tax capacity of the parcel or parcels in the site or subdistrict, as most recently determined by the commissioner of revenue, less (ii) the estimated costs of the removal actions and remedial

actions as specified in a development response action plan to be undertaken with respect to the parcel or parcels, (iii) but not less than zero.

(c) The original net tax capacity of a hazardous substance site or sub-district shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (ii), upon certification by the municipality that the cost of the removal and remedial actions specified in the development response action plan, except for long-term monitoring and similar activities, have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly owned property.

Sec. 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.

*A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) if all of the following conditions are met:*

*(1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;*

(2) *the substandard building was demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;*

(3) *the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building and that after demolition and clearance the authority intended to include the parcel within a district; and*

(4) *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 469.176, 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 *in aid of the project containing the district* 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.

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~~ 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section ~~469.175~~ 469.174, 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 a parcel located in the district has delinquent property taxes when the district terminates under the duration limits under this subdivision, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid. The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.*

Sec. 7. 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 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.

Sec. 8. 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 percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 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 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.

*(c) All administrative expenses are for activities outside of the district.*

Sec. 9. Minnesota Statutes 1990, section 469.1763, subdivision 3, is amended to read:

Subd. 3. [FIVE-YEAR RULE.] (a) Revenues derived from tax increments 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 either are, on the date of issuance, reasonably expected to be 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, or are deposited in a reasonably required reserve or replacement fund;*

(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.*

(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. 10. 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 district, 75 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); *or*

(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 are insufficient to pay the bonds and to the extent that the increments from the unrestricted 25 percent share are insufficient.*

(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. 11. 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. For purposes of this subdivision, "district" includes a district or a project area for which certification to collect increments was requested before August 1, 1979.*

Sec. 12. 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~~ *equals* 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 later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement, the amount to be added to the original net tax capacity of the district as a result of the property again becoming 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 market value~~ 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 substandard building that was demolished or removed and if the authority elects to treat the parcel as occupied by a substandard 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. 13. 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 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 and the property that is the subject of the agreement is 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 that is subject to the assessment agreement, and shall be the agreement is binding upon them.~~

Sec. 14. 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 4 limit specified in the tax increment financing plan.~~

Sec. 15. 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. 16. Minnesota Statutes 1990, section 469.179, is amended by adding

a subdivision to read:

*Subd. 3. [ACT AMENDMENTS; EFFECTIVE DATE PRESUMPTIONS.] (a) This subdivision establishes presumptions as to the effective dates of acts amending sections 469.174 to 469.178. These rules supplement the rules under section 645.02. The rules in paragraphs (b) and (c) apply unless the act specifies a different intent as to the time of its application.*

*(b) If the act is effective on a date either specified by the act itself or under section 645.02, the act is effective for districts for which requests for certification are made after the specified date.*

*(c) If the act is effective for districts for which requests for certification are made after a specified date either under paragraph (b) or the terms of the act, the following rules apply:*

*(1) in the case of a district where the first request for certification is made after the specified date, the act applies in full and to the entire area of the district; and*

*(2) in the case of a district where the first request for certification was made on or before the specified date, the act applies only to the area of the district added by tax increment financing plan amendments for which certification is requested after the specified date.*

Sec. 17. 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. 18. 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. 19. [FERGUS FALLS TAX INCREMENT FINANCING.]

*Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 1, to the contrary, the net tax capacity of a tax increment financing district in the city of Fergus Falls shall be increased as a result of tax exempt property becoming taxable only by the tax capacity of the parcel at the time of its certification as part of the district, if:*

- (1) the property was acquired for private development;*
- (2) development of the property was substantially completed by April 1, 1991; and*
- (3) the property became taxable no later than 15 months after substantial completion of the development.*

*To determine the tax capacity at the time of certification, the county auditor shall use the market value assigned under Minnesota Statutes, section 273.18, and the class rates in effect at the time the property is added to the district's original net tax capacity.*

Sec. 20. 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. 21. Laws 1990, chapter 604, article 7, section 30, subdivision 7, is amended to read:

Subd. 7. [COOK COUNTY.] Section 21 does not apply to an authority in Cook county for tax increment financing districts established in a project created by law prior to April 30, 1990, if the request for certification is filed by May 1, ~~1992~~ 1994.

Sec. 22. [DURATION OF DISTRICT.]

*Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), the duration of Dawson tax increment financing district number four may be extended by the authority for up to ten years from the enactment of this section. The duration of tax increment financing district number four may not exceed eight years after the receipt of the first tax increment. The authority may waive receipt of the tax increment for any year.*

Sec. 23. [EFFECTIVE DATE.]

*Sections 1, 2, 11, and 16 are effective the day following final enactment. Section 3 is effective for interest reduction assistance authorized after July 1, 1991. Sections 5 and 12, paragraph (h), are effective for improvements demolished or removed after April 1, 1991. Section 6, paragraph (h), is effective for delinquent property taxes paid after April 1, 1991. Section 6, paragraph (d), is effective for districts for which certification is requested after June 30, 1991. Sections 4, 6, paragraph (g), 7, 8, 9, and 10 are effective for districts for which certification was requested after April 30, 1990. Sections 12, except paragraph (h), and 13 are effective the day following final enactment and apply to all tax increment financing districts regardless of when certification was requested. Sections 14 and 15 are effective for violations occurring after December 31, 1990. Section 18 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Moorhead. Section 19 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Fergus Falls. Sections 20, 21, and 22 each are effective the day after compliance with Minnesota Statutes, section 645.021, by the governing bodies of the city of Minneapolis, Cook county, and the city of Dawson respectively.*

## ARTICLE 10

### MINING TAXES

Section 1. Minnesota Statutes 1990, section 289A.01, is amended to read:

289A.01 [APPLICATION OF CHAPTER.]

This chapter applies to taxes administered by or paid to the commissioner under chapters 290, 290A, 291, and 297A, and sections 298.01 and 298.015.

Sec. 2. Minnesota Statutes 1990, section 289A.02, is amended by adding a subdivision to read:

Subd. 6. [MINING COMPANY.] "Mining company" means a person

*engaged in the business of mining or producing ores in Minnesota subject to the taxes imposed by section 298.01 or 298.015.*

Sec. 3. Minnesota Statutes 1990, section 289A.08, is amended by adding a subdivision to read:

*Subd. 15. [MINING COMPANIES.] A mining company must file an annual return signed by a person designated by the mining company.*

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS; *MINING COMPANY RETURNS.*] The returns required to be made under sections 289A.08 and 289A.12 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the 15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the month in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year; ~~and~~

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year; *and*

*(8) returns of mining companies must be filed on May 1 following the close of the calendar year.*

Sec. 5. Minnesota Statutes 1990, section 289A.19, subdivision 2, is amended to read:

Subd. 2. [CORPORATE FRANCHISE AND MINING COMPANY TAXES.] The commissioner may grant an extension of up to seven months for filing the return of a corporation subject to tax under chapter 290 or a

*mining company* if:

(1) the corporation *or mining company* files a tentative return when the regularly required return is due;

(2) the corporation *or mining company* pays the tax on the basis of the tentative return and the amount of tax, determined without regard to any prepayment of tax, shown on the tentative return, or the amount of tax paid on or before the regular due date of the return, is at least 90 percent of the amount shown on the corporation's *or mining company's* regularly required return;

(3) the balance due shown on the regularly required return is paid on or before the extended due date of the return; and

(4) interest on any balance due is paid at the rate specified in section 270.75 from the regular due date of the return until the tax is paid.

Sec. 6. Minnesota Statutes 1990, section 289A.20, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, *MINING COMPANY*, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, *mining company*, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.18, subdivision 1, or the extended due date as provided in section 289A.19, unless an earlier date for payment is provided.

Notwithstanding any other law, a taxpayer whose unpaid liability for income or corporate franchise taxes, as reflected upon the return, is \$1 or less need not pay the tax.

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.18, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 289A.31, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, *MINING COMPANY*, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary income, *mining company*, and corporate franchise taxes, and interest and penalties, must be paid by the taxpayer upon whom the tax is imposed, except in the following cases:

(1) The tax due from a decedent for that part of the taxable year in which the decedent died during which the decedent was alive and the taxes, interest, and penalty due for the prior years must be paid by the decedent's personal representative, if any. If there is no personal representative, the taxes, interest, and penalty must be paid by the transferees, as defined in section 289A.38, subdivision 13, to the extent they receive property from the decedent;

(2) The tax due from an infant or other incompetent person must be paid by the person's guardian or other person authorized or permitted by law to act for the person;

(3) The tax due from the estate of a decedent must be paid by the estate's personal representative;

(4) The tax due from a trust, including those within the definition of a corporation, as defined in section 290.01, subdivision 4, must be paid by

a trustee; and

(5) The tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge of the business or property so far as the tax is due to the income from the business or property.

(b) Entertainment taxes are the joint and several liability of the entertainer and the entertainment entity. The payor is liable to the state for the payment of the tax required to be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the entertainer for the amount of the payment.

Sec. 8. Minnesota Statutes 1990, section 289A.35, is amended to read:  
289A.35 [ASSESSMENTS.]

The commissioner shall make determinations, corrections, and assessments with respect to state taxes, including interest, additions to taxes, and assessable penalties. The commissioner may audit and adjust the taxpayer's computation of federal taxable income to make it conform with the provisions of ~~section 290.01, subdivisions 19 to 19g, or the~~ items of federal tax preferences, or federal credit amounts to make them conform with the provisions of chapter 290 or section 298.01. If a taxpayer fails to file a required return, the commissioner, from information in the commissioner's possession or obtainable by the commissioner, may make a return for the taxpayer. The return will be prima facie correct and valid. If a return has been filed, the commissioner shall examine the return and make any audit or investigation that is considered necessary. The commissioner may use statistical or other sampling techniques consistent with generally accepted accounting principles in examining returns or records and making assessments.

Sec. 9. Minnesota Statutes 1990, section 289A.38, subdivision 12, is amended to read:

Subd. 12. [REQUEST FOR EARLY AUDIT FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, *MINING COMPANY*, AND CORPORATE FRANCHISE TAXES.] (a) Tax must be assessed within 18 months after written request for an assessment has been made in the case of income received (1) during the lifetime of a decedent, (2) by the decedent's estate during the period of administration, (3) by a trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.31, subdivision 4, or (4) by a *mining company* or a corporation. A proceeding in court for the collection of the tax must begin within two years after written request for the assessment (filed after the return is made and in the form the commissioner prescribes) by the personal representative or other fiduciary representing the estate of the decedent, or by the trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.31, subdivision 4, or by the corporation. Except as provided in section 289A.42, subdivision 1, an assessment must not be made after the expiration of 3-1/2 years after the return was filed, and an action must not be brought after the expiration of four years after the return was filed.

(b) Paragraph (a) only applies in the case of a *mining company* or a corporation if:

(1) the written request notifies the commissioner that the corporation



contemplates dissolution at or before the expiration of the 18-month period;

(2) the dissolution is begun in good faith before the expiration of the 18-month period; and

(3) the dissolution is completed within the 18-month period.

Sec. 10. Minnesota Statutes 1990, section 289A.56, subdivision 2, is amended to read:

Subd. 2. [CORPORATE FRANCHISE, *MINING COMPANY*, INDIVIDUAL AND FIDUCIARY INCOME, AND ENTERTAINER TAX OVERPAYMENTS.] Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the due date is considered as filed on the due date.

When the amount of tax withheld at the source or paid as estimated tax or allowable as other refundable credits, or withheld from compensation of entertainers, exceeds the tax shown on the original return by \$10, the amount refunded bears interest from 90 days after (1) the due date of the return of the taxpayer, or (2) the date on which the original return is filed, whichever is later, until the date the refund is paid to the taxpayer. Where the amount to be refunded is less than \$10, no interest is paid. However, to the extent that the basis for the refund is a net operating loss carryback, interest is computed only from the end of the taxable year in which the loss occurs.

Sec. 11. Minnesota Statutes 1990, section 289A.60, subdivision 4, is amended to read:

Subd. 4. [SUBSTANTIAL UNDERSTATEMENT OF LIABILITY; PENALTY.] The commissioner of revenue shall impose a penalty for substantial understatement of any tax payable to the commissioner, except a tax imposed under chapter 297A.

There must be added to the tax an amount equal to 20 percent of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax for the period if the amount of the understatement for the period exceeds the greater of: (1) ten percent of the tax required to be shown on the return for the period; or (2)(a) \$10,000 in the case of a *mining company* or a corporation, other than an S corporation as defined in section 290.9725, when the tax is imposed by chapter 290, or (b) \$5,000 in the case of any other taxpayer, and in the case of a *mining company* or a corporation any tax not imposed by chapter 290 or section 298.01 or 298.015. The term "understatement" means the excess of the amount of the tax required to be shown on the return for the period, over the amount of the tax imposed that is shown on the return. The amount of the understatement shall be reduced by that part of the understatement that is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for the treatment, or any item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. The special rules in cases involving tax shelters provided in section 6662(d)(2)(C) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply and shall apply to a tax shelter the principal purpose of which is the avoidance or evasion of state taxes. The commissioner may

abate all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement, or part of it, and that the taxpayer acted in good faith. The additional tax and penalty shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.

Sec. 12. Minnesota Statutes 1990, section 298.01, subdivision 3, is amended to read:

Subd. 3. [OCCUPATION TAX; OTHER ORES.] Every person engaged in the business of mining or producing ores in this state, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, do not apply. The tax is in addition to all other taxes ~~and is due and payable on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.~~

Sec. 13. Minnesota Statutes 1990, section 298.01, is amended by adding a subdivision to read:

*Subd. 3d. [ALTERNATIVE MINIMUM TAX CREDIT.] A credit is allowed against qualified regular tax for qualified alternative minimum tax previously paid. The amount of the credit allowed under this subdivision is determined under section 290.0921, subdivision 8. For purposes of calculating this credit, the following terms have the meanings given:*

*(a) "Qualified alternative minimum tax" means the amount determined under subdivision 3 and section 290.0921, subdivision 1.*

*(b) "Qualified regular tax" means the tax imposed under subdivision 3 and section 290.06, subdivision 1.*

Sec. 14. Minnesota Statutes 1990, section 298.01, subdivision 4, is amended to read:

Subd. 4. [OCCUPATION TAX; IRON ORE; TACONITE CONCENTRATES.] A person engaged in the business of mining or producing of iron ore or taconite concentrates in this state shall pay an occupation tax to the state of Minnesota. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, do not apply. The tax is in addition to all other taxes ~~and is due and payable on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.~~

Sec. 15. Minnesota Statutes 1990, section 298.01, is amended by adding a subdivision to read:

*Subd. 4e. [ALTERNATIVE MINIMUM TAX CREDIT.] (a) A credit is allowed against the tax imposed by subdivision 4 for the increases in occupation taxes paid in 1988, 1989, and 1990 attributable to the alternative minimum tax imposed under section 290.092 and Minnesota Statutes 1986, section 298.40. The amount of the credit allowed under this paragraph is determined under section 290.06, subdivision 21.*

*(b) A credit is allowed against qualified regular tax for qualified alternative minimum tax previously paid. The amount of the credit allowed under this paragraph is determined under section 290.0921, subdivision 8. For purposes of calculating this credit, the following terms have the meanings*

given:

(1) "Qualified alternative minimum tax" means the amount determined under subdivision 4d and section 290.0921, subdivision 1.

(2) "Qualified regular tax" means the tax imposed under subdivision 4 and section 290.06, subdivision 1.

Sec. 16. Minnesota Statutes 1990, section 298.015, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A person engaged in the business of mining shall pay to the state of Minnesota for distribution as provided in section 298.018 a net proceeds tax equal to two percent of the net proceeds from mining in Minnesota. The tax applies to all mineral and energy resources mined or extracted within the state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law. ~~The tax is due by June 15 of the year succeeding the calendar year covered by the report required by section 298.05.~~

Sec. 17. Minnesota Statutes 1990, section 298.16, is amended to read:

298.16 [TAXES TO BE CREDITED TO GENERAL FUND.]

All taxes imposed ~~and collected~~ under the provisions of sections 298.01 ~~to 298.15 shall~~ and 298.015 must be paid into the state treasury and credited to the general fund.

Sec. 18. Minnesota Statutes 1990, section 298.21, is amended to read:

298.21 [PERSON.]

For all purposes of sections 298.01 ~~to 298.16~~ 298.018, the word "person" ~~shall be construed to include~~ means individuals, ~~copartnerships~~ fiduciaries, estates, trusts, partnerships, companies, joint stock companies, corporations, and all associations, ~~however and for whatever purpose organized.~~

Sec. 19. Minnesota Statutes 1990, section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be paid directly to each eligible county and the iron range resources and rehabilitation board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 8. *Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner.* The report ~~required by section 298.05~~ shall be filed on or before February 1. A remittance equal to 90 percent of the total tax required to be paid hereunder shall be paid on or before February 15. On or before February 25, the county auditor shall make distribution of the payment received by the county in the manner provided by section 298.28. The balance due shall be paid on or before April 15 following the production year, and shall be distributed by the county auditor as provided in section 298.28 by May 15. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such

information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a partial tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the partial tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

#### Sec. 20. [REPEALER.]

*Minnesota Statutes 1990, sections 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; and 298.20 are repealed.*

#### Sec. 21. [EFFECTIVE DATE.]

*Sections 1 to 12, 14, and 16 to 20 are effective for ores mined after December 31, 1990. Sections 13 and 15 are effective for ores mined after December 31, 1989.*

### ARTICLE 11

#### PROPERTY TAX ADMINISTRATIVE AND TECHNICAL

Section 1. Minnesota Statutes 1990, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) To defray the cost of the activities under subdivision 1, the governing body of the political subdivision may levy a tax which, except when levied by a county, must not exceed a gross local tax rate of ~~.55 percent~~ or a net local tax rate of ~~.68~~ 0.01596 percent of taxable market value in any year in excess of charter local tax rate limitations, but not in any event more than 50 cents per capita, except that the levy for the grasshopper control program under sections 18.0223 to 18.0227 is not subject to the 50 cents per capita limitation. The political subdivision may make the levy, where necessary, separate from the general levy and at any time of the year.

(b) If, because of the prevalence of Dutch elm disease, the governing

body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to a ~~gross local tax rate of 1.1 percent or a net local tax rate of 1.36~~ *0.03216 percent of taxable market value*, but not in ~~any event~~ more than one dollar per capita.

Sec. 2. Minnesota Statutes 1990, section 270.11, subdivision 6, is amended to read:

Subd. 6. [CHANGE OF NET TAX CAPACITIES MARKET VALUES.] The commissioner of revenue shall raise or lower the ~~net tax capacity market value~~ of any real or personal property, including the power to raise or lower the ~~net tax capacity market value~~ of the real or personal property of any individual, copartnership, company, association, or corporation; provided, that before any such assessment against the property of any individual, copartnership, company, association, or corporation is so raised, notice of an intention to raise such ~~net tax capacity market value~~ and of the time and place at which a hearing thereon will be held shall be given to such person, by mail, addressed to the person at the place of residence listed upon the assessment book, at least five days before the day of such hearing.

All relevant and material evidence concerning the ~~net tax capacity market value~~ of the real or personal property shall be submitted at the hearing, and the hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. The person notified of the hearing, or any other person having an interest in the property, may present evidence and argument bearing upon the ~~net tax capacity market value~~ of the property.

Sec. 3. Minnesota Statutes 1990, section 270.12, is amended by adding a subdivision to read:

Subd. 5. [EQUALIZATION ORDERS.] *The board of equalization may, pursuant to its responsibilities under subdivisions 2 and 3, issue orders to ensure that the results of local and county boards of equalization are consistent with the objective of state equalization. The board may issue, at its discretion, a supplemental order to amend, supersede, or correct a prior order of the board or an order of a local or county board. The supplemental order must be issued within 60 days of the order to be changed. The board may issue to a local or county board of equalization, within ten business days of the receipt of minutes of a local or county board of equalization, an order explaining the action that the state board believes will be necessary to effect the objective of state equalization.*

Sec. 4. Minnesota Statutes 1990, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES.] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to ~~December 20~~ *July 1* of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by ~~December 20~~ *July 1*, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental body, church, or educational institution before ~~August~~ *July 1* of the year

is exempt for that assessment year if (1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7), and (2) the property is not subject to the filing requirement under section 272.025.

Sec. 5. Minnesota Statutes 1990, section 272.025, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clauses (1) to (7), (10), (11), (13), (15), (16), and (18), except churches and houses of worship and property solely used for educational purposes by academies, colleges, universities or seminaries of learning and property owned by the state of Minnesota or any political subdivision thereof, shall file a statement of exemption with the assessor of the assessment district in which the property is located; ~~or~~. In the case of a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clause (9), *the taxpayer* shall file a statement of exemption with the commissioner or revenue, on or before February 15 of each year for which the taxpayer claims an exemption. In case of sickness, absence or other disability or for good cause, the assessor may extend the time for filing the statement of exemption for a period not to exceed 60 days. The commissioner of revenue shall prescribe the form and contents of the statement of exemption.

Sec. 6. Minnesota Statutes 1990, section 272.31, is amended to read:

272.31 [LIEN OF REAL ESTATE TAXES.]

The taxes assessed upon real property shall be a perpetual lien thereon, and on all structures and standing timber thereon and on all minerals therein, from ~~and including January 2 in the year in which they are levied, until they are paid; but, the property is assessed.~~ As between grantor and grantee, such lien shall not attach until the first Monday of January of the year next thereafter.

Sec. 7. Minnesota Statutes 1990, section 272.67, subdivision 6, is amended to read:

Subd. 6. A certified copy of every ordinance, amendment, and order adopted or entered ~~pursuant to~~ *under* this section shall be filed with the county auditor before it becomes effective. *For the purposes of taxation, if the ordinance, amendment, or order is certified on or before August 1 of a levy year, it may be implemented that same levy year. If the ordinance, amendment, or order is certified after August 1 of a levy year, it may not be implemented until the following levy year.* The amount of taxes levied each year by each city shall be certified to the county auditor in the manner now or hereafter provided by law. Taxes levied for payment of bonds and judgments and interest thereon shall continue to be spread upon all taxable property within the boundaries of the city in proportion to the ~~gross net~~ tax capacity thereof. The remaining amount of the taxes levied each year shall be allocated by the county auditor to the urban service district and the rural service district in amounts proportionate to the current benefit ratio times the current ratio between the market values of all taxable property within the urban service district and all taxable property within the rural service district. Within each district, the amount so allocated shall be spread upon all taxable property in proportion to the net tax capacity thereof.

Sec. 8. Minnesota Statutes 1990, section 273.111, subdivision 6, is amended to read:

Subd. 6. Real property shall be considered to be in agricultural use provided that annually: (1) at least 33 1/3 percent of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 plus \$10 per tillable acre; and (2) it is devoted to the production for sale of ~~livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products by the owner, slough, wasteland, and woodland contiguous to or surrounded by land described in subdivision 3 shall be considered to be in agricultural use if under the same ownership and management agricultural products as defined in section 273.13, subdivision 23, paragraph (e).~~

Sec. 9. Minnesota Statutes 1990, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, ~~the homestead credit under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit under section 273.135, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.1398 for taxes payable in 1990 and thereafter under section 273.1391.~~ The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to ~~25~~ 50 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite

property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 10. Minnesota Statutes 1990, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government ~~and pay them~~. *The aids provided in subdivisions 2, 2b, 3, and 5 must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31.* The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 11. Minnesota Statutes 1990, section 276.041, is amended to read:

276.041 [FILING TO RECEIVE NOTICE OF DELINQUENT TAXES.]

Fee owners, vendees, mortgagees, lienholders, *escrow agents*, and lessees of real property may file their names and current mailing addresses with the county auditor in the county where the land is located for the purpose of receiving notices affecting the land that are issued under sections 276.04, 281.23, and 279.091. A person filing shall pay a filing fee of \$15 to the county auditor for each parcel. The filing expires after three years. The county auditor shall give a copy of the list of names and addresses to the county treasurer. Taxpayers of record with the county auditor and mortgagees who remit taxes on their behalf shall receive tax statements and other notices and are not required to file and pay fees under this section.

Sec. 12. Minnesota Statutes 1990, section 277.01, is amended to read:

277.01 [WHEN TAX IS DELINQUENT; PENALTY.]

Subdivision 1. Except as provided in this subdivision *and subdivision* all unpaid personal property taxes shall be deemed delinquent on May next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon penalty of eight percent shall attach and be charged upon all such taxes. *the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent not paid before May 16 or 21 days after the postmark date on the envelope*



containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October 16, and thereupon a penalty of eight percent shall attach on the unpaid second half. This section shall not apply to ~~class 2a~~ property taxed under section 274.19, subdivision 8, paragraph (c).

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

*Subd. 3. [IMPROVEMENTS TO REAL PROPERTY.] Personal property taxes assessed upon improvements made to real property taxed under section 272.01, subdivision 2, or 273.19, if unpaid, become delinquent on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later. If the tax against the improvements exceeds \$50, one-half may be paid before May 16 and the remaining one-half must be paid at any time before the following October 16, without penalty. Section 279.01, subdivision 1, otherwise governs imposition of penalties.*

Sec. 13. Minnesota Statutes 1990, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving ~~two copies~~ *one copy* of a petition for such determination upon the county auditor, one copy on the county attorney, ~~and~~ one copy on the county treasurer, ~~and three copies on the county assessor~~. In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county ~~auditor~~ *assessor* shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be ~~sent~~ *forwarded by the assessor* to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the

tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 14. Minnesota Statutes 1990, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. The department of revenue sales ratio study shall be prima facie evidence of the level of assessment. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between (1) the ratio for the petitioner's property less five percentage points 95 percent and (2) the median ratio determined by the court. ~~In order to receive relief on the basis of discrimination, the petitioner must establish the ratio of the assessor's estimated market value to the actual fair market value for the property.~~

Sec. 15. Minnesota Statutes 1990, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, a penalty shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The penalty shall be at a rate of three percent on homestead property and seven percent on nonhomestead property. This penalty shall not accrue until June 1 of each year, or 21 days after the postmark date on the envelope containing the property tax statements, whichever is later, on

commercial use real property used for seasonal residential recreational purposes and classified as class 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and non-homestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes provided that if the due date was extended beyond May 15 as the result of any delay in mailing property tax statements no additional penalty shall accrue if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had been May 15 shall be charged. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

*This section applies to payment of personal property taxes assessed against improvements to leased property, except as provided by section 277.01, subdivision 3.*

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 16. Minnesota Statutes 1990, section 279.01, subdivision 2, is amended to read:

Subd. 2. In the case of any tax on class 1b, 2a, and 1a homestead property paid within 30 days after the due date specified in this section or after the

30-day extension as specified in subdivision 3, The county board may, with the concurrence of the county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment of taxes in the current year. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty on finding that the imposition of the penalty would be unjust and unreasonable.

Sec. 17. Minnesota Statutes 1990, section 279.06, is amended to read: 279.06 [COPY OF LIST AND NOTICE.]

Subdivision 1. [LIST AND NOTICE.] Within five days after the filing of such list, the court administrator shall return a copy thereof to the county auditor, with a notice prepared and signed by the court administrator, and attached thereto, which may be substantially in the following form:

State of Minnesota )
) ss.
County of . . . . . )

District Court
. . . . . Judicial District.

The state of Minnesota, to all persons, companies, or corporations who have or claim any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land described in the list hereto attached:

The list of taxes and penalties on real property for the county of . . . . . remaining delinquent on the first Monday in January, 19 . . . . ., has been filed in the office of the court administrator of the district court of said county, of which that hereto attached is a copy. Therefore, you, and each of you, are hereby required to file in the office of said court administrator, on or before the 20th day after the publication of this notice and list, your answer, in writing, setting forth any objection or defense you may have to the taxes, or any part thereof, upon any parcel of land described in the list, in, to, or on which you have or claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment will be entered against such parcel of land for the taxes on such list appearing against it, and for all penalties, interest, and costs. Based upon said judgment, the land shall be sold to the state of Minnesota on the second Monday in May, 19 . . . . . The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) non-agricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision subdivisions 22, paragraph (c), and 25, paragraph (4)(1) or (c)(4), clause (5), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Inquiries as to the proceedings set forth above can be made to the county auditor of . . . . . county whose address is . . . . .

(Signed) . . . . .
Court Administrator of the District Court of the County
of . . . . .
(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of . . . . ., on which taxes remain delinquent on the first Monday in January, 19 . . . . . :

Town of (Fairfield),  
Township (40), Range (20),

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who Have Filed Their Addresses Pursuant to section 276.041

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who Have Filed Their Addresses Pursuant to section 276.041	Subdivision of Section	Section	Tax Parcel Number	Total Tax and Penalty \$ cts.
John Jones (825 Fremont Fairfield, MN 55000)	S.E. 1/4 of S.W. 1/4	10	23101	2.20
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	That part of N.E. 1/4 of S.W. 1/4 desc. as follows: Beg. at the S.E. corner of said N.E. 1/4 of S.W. 1/4; thence N. along the E. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence W. parallel with the S. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence S. parallel with said E. line a distance of 600 ft. to S. line of said N.E. 1/4 of S.W. 1/4; thence E. along said S. line a distance of 600 ft. to the point of beg. . . . .	21	33211	3.15

As to platted property, the form of heading shall conform to circumstances and be substantially in the following form:

City of (Smithtown)  
Brown's Addition, or Subdivision

Names (and Current Filed Addresses) for

the Taxpayers  
and Fee Owners  
and in Addition  
Those Parties  
Who have Filed  
Their Addresses  
Pursuant to  
section 276.041

	Lot	Block	Tax Parcel Number	Total Tax and Penalty \$ cts
John Jones (835 Fremont Fairfield, MN 55000)	15	9	58243	2.20
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	16	9	58244	3.15

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Subd. 2. [FORM OF LIST AND NOTICE.] Notwithstanding the provisions of subdivision 1, the commissioner of revenue shall prescribe the form of the list and notice required under subdivision 1. The form shall contain the information required under subdivision 1, but shall be organized and presented in a manner easily read and understood. The print must be easily read and contain standard use of capital and lower-case letters. The court administrator shall use the form prescribed by the commissioner for purposes of this section. *The notices published and mailed by the county auditor must also be in the form prescribed by the commissioner.*

Sec. 18. Minnesota Statutes 1990, section 281.17, is amended to read:  
281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 24, paragraph (a), (b), (c), and (d), ~~subdivision subdivisions 22, paragraph (c), and 25, paragraph (d)(1) of (c)(4), clause (5).~~ in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 19. Minnesota Statutes 1990, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. Parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes shall be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. The classification, furthermore, must encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; facilitate reduction of governmental expenditures; conserve and develop the natural resources; and foster and develop agriculture and other industries in the districts and places best suited to them.

In making the classification the county board may use information made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made. The lands may be reclassified from time to time as the county board may consider necessary or desirable, except for conservation lands held by the state free from any trust in favor of any taxing district.

If the lands are located within the boundaries of an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 90 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale

for one year. *A clerical error made by county officials does not serve to eliminate the request of the town board or governing body if the board or governing body has forwarded the application to the county auditor.*

Sec. 20. 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.

Sec. 21. Minnesota Statutes 1990, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of the property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. *The county board may also grant the abatement of penalties for taxes paid within 30 days of the due date, regardless of the classification of the property.* The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. *If the application is for abatement of penalty or interest, the application must be approved by the county treasurer and county auditor.* No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

Sec. 22. Minnesota Statutes 1990, section 414.031, subdivision 6, is amended to read:



Subd. 6. [EFFECTIVE DATE OF ANNEXATION.] The annexation shall be effective as of the date fixed in the annexation order or on such later date as is fixed in the annexation order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.*

Sec. 23. Minnesota Statutes 1990, section 414.0325, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF ANNEXATION.] The board's order shall be effective upon the issuance of the order or at such later time as is provided by the board in its order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.*

Sec. 24. Minnesota Statutes 1990, section 414.033, subdivision 7, is amended to read:

Subd. 7. Any annexation ordinance provided for in this section must be filed with the board, the township, the county auditor and the secretary of state and is final on the date the ordinance is approved by the board. *A copy of the annexation ordinance must be delivered immediately by the governing body of the municipality to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.*

Sec. 25. Minnesota Statutes 1990, section 414.06, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF DETACHMENT.] The detachment shall be effective upon the issuance of the board's order, or at such later date, as provided by the board in its order. *A copy of the detachment order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the detachment becomes effective on or before August 1 of a levy year, the town or towns acquiring the detached area may levy on it beginning with that same levy year. If the detachment becomes effective after August 1 of a levy year, the municipality may continue to levy on the detached area for that levy year, and the town or towns acquiring the detached area may not levy on it until the following levy year.*

Sec. 26. Minnesota Statutes 1990, section 414.061, subdivision 3, is

amended to read:

Subd. 3. [EFFECTIVE DATE.] The concurrent detachment and annexation shall be effective upon the issuance of the board's order, or at such later date as provided by the board in its order. *A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality acquiring the detached area of another municipality may levy on it beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the municipality losing the detached area may continue to levy on it for that levy year, and the municipality acquiring the detached area may not levy on it until the following levy year.*

Sec. 27. Minnesota Statutes 1990, section 477A.014, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 10, 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. 28. Minnesota Statutes 1990, section 515A.1-105, subdivision 1, is amended to read:

Subdivision 1. [HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ~~ten~~ 30 days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Sec. 29. Laws 1990, chapter 604, article 3, section 49, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Bayport city council intends to exercise the authority provided by this section in ~~subsequent years~~ *levy year 1990*, it shall pass a resolution stating the fact before ~~January~~ *September 1, 1991* 1990. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official

newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, ~~1991~~ 1990.

Sec. 30. Laws 1990, chapter 604, article 3, section 50, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Goodhue county board intends to exercise the authority provided by this section in ~~subsequent years~~ *levy years 1990 and 1991*, it shall pass a resolution stating the fact before ~~January~~ *September 1, 1991* 1990. The resolution must be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, ~~1991~~ 1990.

Sec. 31. Laws 1990, chapter 604, article 3, section 51, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Windom city council intends to exercise the authority provided by this section in ~~subsequent years~~ *levy year 1991*, it shall pass a resolution stating the fact before ~~January~~ *September 1, 1991*. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its

intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 32. Laws 1990, chapter 604, article 3, section 59, subdivision 2, is amended to read:

Subd. 2. [REVERSE REFERENDUM.] If the *Rosemount* city council proposes to pay the obligation under subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to ~~January~~ *December 1, 1992* 1990.

Sec. 33. Laws 1990, chapter 604, article 3, section 61, subdivision 2, is amended to read:

Subd. 2. [REVERSE REFERENDUM.] If the city intends to exercise the authority provided by subdivision 1 in *levy year 1990 and subsequent years*, it shall pass a resolution stating the fact before ~~January~~ *September 1, 1994* 1990. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is

not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, ~~1991~~ 1990.

Sec. 34. Laws 1990, chapter 604, article 4, section 22, is amended to read:

Sec. 22. [EFFECTIVE DATES.]

Sections 1, 3, 8, 9, 11, 14, ~~18~~, and 20 are effective for aids payable in calendar year 1990 and thereafter. *Section 18 is effective for homestead and agricultural credit aid payments for taxes payable in 1990.* Sections 2, 4, 5, 7, 10, 12, 13, 15, and 17 are effective for aids payable in calendar year 1991 and thereafter. Sections 19 and 21 are effective for aids payable in calendar year 1992 and thereafter. That part of section 6 striking a reference to cities of the first class is effective for ~~aids equalization aid paid under section 477A.013, subdivision 5,~~ in calendar year 1991 and thereafter. The rest of section 6 is effective for aids paid in calendar year 1990 and thereafter. Section 16 is effective July 1, 1990, and applies to payments due on or after that date.

Sec. 35. [REPEALER.]

*Minnesota Statutes 1990, section 273.137, is repealed.*

*Laws 1989, chapter 277, article 4, section 2, is repealed.*

Sec. 36. [EFFECTIVE DATES.]

*Sections 1, 3, 9, 11, 17 to 19, and 35 are effective the day following final enactment. Sections 2, 4, 7, 8, 12, 15, 16, and 22 to 26 are effective for taxes levied in 1991, payable in 1992 and thereafter. Sections 5 and 6 are effective for taxes levied in 1992, payable in 1993 and thereafter. Section 27 is effective for aids payable in 1992 and thereafter. Section 10 is effective for aids payable in 1991 and thereafter. Section 13 is effective for tax petitions filed for taxes payable in 1992 and thereafter. Section 14 is effective for petitions based on taxes levied in 1989, payable in 1990, and thereafter, which have not been determined by the court or settled between the parties by the date of final enactment of this act. Section 20 is effective June 1, 1990. Sections 21 and 28 are effective July 1, 1991. Section 29 is effective for taxes levied in 1990, payable in 1991. Section 30 is effective for taxes levied in 1990 and 1991, payable in 1991 and 1992. Section 31 is effective for taxes levied in 1991, payable in 1992. Sections 32 and 33 are effective for taxes levied in 1990, payable in 1991, and thereafter. The amendments in section 34 changing the effective date of section 18 are effective for homestead and agricultural credit aid payments for taxes payable in 1990. The amendment in section 34 changing the effective date of section 6 to refer to equalization aid is effective for aids payable in calendar year 1991, and thereafter.*

## ARTICLE 12

### FIRE AID

Section 1. Minnesota Statutes 1990, section 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms

shall for the purposes of this chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.
- (d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters' relief association.
- (e) ~~"Net tax capacity"~~ "Market value" means latest available ~~net tax capacity~~ market value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.
- (f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto insurance coverages as reported in the Minnesota business schedule of the annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or rules less return premiums and dividends.
- (g) "Peace officer" means any person:
- (1) whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full-time basis of not less than 30 hours per week;
  - (2) who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to under subdivision 2, clause (b);
  - (3) who is sworn to enforce the general criminal laws of the state and local ordinances;
  - (4) who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and
  - (5) who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.
- (h) "Full-time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full-time basis as defined by the employing unit and the municipality receiving the contract service.
- (i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to under section 424A.05, subdivision 3,

clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 2. Minnesota Statutes 1990, section 69.011, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO FILE CERTIFICATE DEEMED WAIVER.] ~~If the certificate a certification~~ required by this section is not filed with the commissioner ~~within the time prescribed by this section the municipality or nonprofit fire fighting corporation shall be deemed to have relinquished its rights for the year to the benefits under this chapter by the due date prescribed by this section, the commissioner shall notify the municipality or the nonprofit fire fighting corporation that a portion or all of its current year aid will be forfeited if the certification is not received within ten days. The amount of aid forfeited is equal to the amount of state police aid or state fire aid determined for the municipality or fire fighting corporation for the current year, multiplied by five percent for each week or fraction of a week that this certification is late. The penalty will be computed beginning ten days after the postmark date of the commissioner's notification as required under this subdivision. All forfeited aid amounts revert to the general fund in the state treasury.~~ Failure to receive the certificate form cannot be used as a defense for not filing.

Sec 3. Minnesota Statutes 1990, section 69.021, subdivision 2, is amended to read:

Subd. 2. [REPORT OF PREMIUMS.] Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, ~~and~~ sprinkler leakage, ~~and extended coverage~~ insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multiperil and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall contain a true and accurate statement of the total premiums, less return premiums and dividends, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause (f), except that domestic mutual insurance companies must not file a report.

Sec. 4. Minnesota Statutes 1990, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF REVENUE.] The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive ~~police~~ state *peace officer* aid. The commissioner shall determine qualification upon receipt of (1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required ~~pursuant to~~ *under* section 69.011, (2) the financial compliance report required ~~pursuant to~~ *under* section 6.495, and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before September 1, the commissioner shall calculate ~~pursuant to~~ *under* subdivision 6 the amount of ~~fire state aid and police~~ (a) *state peace officer* aid which each county, or municipality, or independent nonprofit firefighting corporation is to receive and (b) *fire state aid* which each municipality or nonprofit firefighting corporation is to receive. *The commissioner shall certify to the commissioner of finance the name of each county, or municipality, and the amount of state aid which each county or municipality is to receive, in the case of state peace officer aid; and the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire state aid.*

Sec. 5. Minnesota Statutes 1990, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. *The total amount for apportionment in respect to firefighters state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.* The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 6. Minnesota Statutes 1990, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF STATE PEACE



*OFFICERS AID TO COUNTIES.*] With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their net tax capacity, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns, or townships in other counties as evidenced by valid fire service contracts filed with the commissioner and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

The state aid available in respect to peace officers shall not exceed the amount of tax collected and shall be distributed to the counties in proportion to the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Sec. 7. Minnesota Statutes 1990, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.] (1) The commissioner shall apportion the state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to under this chapter to each municipality and/or firefighters' relief association in the same manner that state aid is apportioned to the counties, one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the net tax capacity market value of the each fire towns in the county for which aid is proportioned town, including the market value of tax exempt property, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the net tax capacity market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and net tax capacity market value of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the net tax capacity market value of each service area. The agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

The aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has

filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The commissioner is hereby empowered to may make rules to permit the administration of the provisions of this section.

(2) The commissioner shall apportion the state ~~police~~ *peace officer* aid to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed in proportion to the total number of peace officers, as determined ~~pursuant to~~ *under* section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service on a full-time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive ~~police~~ *state peace officer* aid shall be apportioned less ~~police~~ *state peace officer* aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of ~~police~~ *state peace officer* aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of ~~police~~ *state peace officer* aid apportioned shall not exceed the amount of ~~police~~ *state peace officer* aid available for apportionment.

Sec. 8. Minnesota Statutes 1990, section 69.021, subdivision 8, is amended to read:

Subd. 8. [~~POPULATION AND TAX CAPACITY MARKET VALUE.~~] In computations requiring the use of population figures only official statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall not be taken into consideration.

In calculations requiring the use of ~~net tax capacity market value~~ figures, only the latest available ~~net tax capacity market value~~ figures are to be used.

Sec. 9. Minnesota Statutes 1990, section 69.021, subdivision 9, is amended to read:

Subd. 9. [~~APPEAL.~~] In the event that any fire or police department feels itself to be aggrieved, it may request the commissioner to review and adjust the apportionment of funds within the county *in the case of state peace officer aid, and within the state in the case of fire state aid*, and the decision of the commissioner shall be subject to appeal, review, and adjustment by the district court in the county in which the fire or police department is

located.

Sec. 10. [EFFECTIVE DATE.]

*Sections 1 and 3 to 9 are effective for aids payable in 1991 and thereafter. Section 2 is effective for aids paid in 1992 and thereafter.*

ARTICLE 13

LOCAL GOVERNMENT SERVICE SHARING AND  
COMBINATION INCENTIVES

Section 1. [465.80] [SERVICE SHARING GRANTS.]

*Subdivision 1. [SCOPE.] This section establishes a program for grants to cities, counties, and towns to enable them to meet the start-up costs of providing shared services or functions.*

*Subd. 2. [ELIGIBILITY.] Any home rule charter or statutory city, county, or town that provides a plan for offering a governmental service under a joint powers agreement with another city, county, or town, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."*

*Subd. 3. [PLAN.] To apply for a grant under this section, the governing body of the eligible local government unit must by resolution adopt a plan that includes:*

*(1) a proposal to enter into an agreement for the joint exercise of powers under section 471.59 that will result in a fully integrated service or function provided by the eligible local unit of government and one or more other government units as defined in section 471.59. Agreements solely to make joint purchases are not sufficient to qualify under this section;*

*(2) specific projections of cost savings or more efficient service operations that are reasonably likely to result from the combined service or function; and*

*(3) evidence of the need for financial assistance to meet start-up costs that would be entailed in providing the combined service or function.*

*Subd. 4. [SUBMISSION OF PLAN TO DEPARTMENT.] The plan must be submitted to the department of trade and economic development. The commissioner of trade and economic development will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under clauses (2) and (3). The commissioner may request modifications of a plan. If the commissioner rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.*

*Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the commissioner shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the commissioner to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.*

Sec. 2. [465.81] [COOPERATION AND COMBINATION.]

*Subdivision 1. [SCOPE.] Sections 2 to 8 establish procedures to be used by counties, cities, or towns that adopt by resolution an agreement providing a plan to provide combined services during an initial two-year cooperation period and then to merge into a single unit of government over the succeeding two-year period.*

*Subd. 2. [DEFINITIONS.] As used in sections 2 to 8, the words defined in this subdivision have the meanings given them in this subdivision.*

*"City" means home rule charter or statutory cities.*

*"Commissioner" means the commissioner of trade and economic development.*

*"Department" means the department of trade and economic development.*

*"Governing body" means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.*

*"Local government unit" or "unit" includes counties, cities, and towns.*

*Subd. 3. [COMBINATION REQUIREMENTS.] Counties may combine with one or more other counties. Cities may combine with one or more other cities or with one or more towns. Towns may combine with one or more other towns or with one or more cities. Units that combine must be contiguous.*

Sec. 3. [465.82] [COOPERATION AND COMBINATION PLAN.]

*Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 2 to 8 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the department of trade and economic development for review and comment. Significant modifications and specific resolutions of items must be submitted to the department for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each department review and comment.*

*Subd. 2. [CONTENTS OF PLAN.] The plan shall state:*

*(1) the specific cooperative activities the units will engage in during the first two years of the venture;*

*(2) the steps to be taken to effect the merger of the governmental units, beginning in the third year of the process, with completion no later than four years after the process begins;*

*(3) the steps by which a single governing body will be created. Notwithstanding any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 2 to 8 may serve on the initial governing body of the combined unit, until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached;*

(4) changes in services provided, facilities used, administrative operations and staffing to effect the preliminary cooperative activities and the final merger;

(5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with unions, and providing financial incentives to encourage early retirements;

(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging entities;

(7) two, five, and ten-year projections prepared by the department of revenue at the request of the local government unit, of revenues, expenditures, and property taxes for each unit if it combined and if it remained separate;

(8) procedures for a referendum to be held prior to the year of the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and

(9) a time schedule for implementation.

#### Sec. 4. [465.83] [STATE AGENCY APPROVAL.]

Before scheduling a referendum on the question of combining local government units under section 5, the units shall submit the plan adopted under section 3 to the commissioner. The commissioner may require any information it deems necessary to evaluate the plan. The commissioner shall disapprove the proposed combination if the commissioner finds that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete.

#### Sec. 5. [465.84] [REFERENDUM.]

During the first or second year of cooperation, and after approval of the plan by the department under section 4, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the governing bodies of the units that propose to combine. The referendum shall be conducted according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

#### Sec. 6. [465.85] [COUNTY AUDITOR TO PREPARE PLAT.]

Upon the request of two or more local government units that have adopted a resolution to cooperate and combine, the county auditor shall prepare a plat. If the proposed combined local government unit is located in more than one county, the request shall be submitted to the county auditor of the county that has the greatest land area in the proposed district. The plat must show:

(1) the boundaries of each of the present units;

(2) the boundaries of the proposed unit;

(3) the boundaries of proposed election districts, if requested; and

(4) other information deemed pertinent by the governing bodies or the county auditor.

Sec. 7. [465.86] [BONDED DEBT AT THE TIME OF COMBINATION.]

*Debt service for bonds outstanding at the time of the combination may be levied by the combined governing body consistent with the plan adopted according to section 3, and any subsequent modifications, subject to section 475.61. The primary obligation to pay the bonded indebtedness outstanding on the effective date of combination remains with the local government unit that issued the bonds, but a combined unit may make debt service payments on behalf of a preexisting unit.*

Sec. 8. [465.87] [AIDS TO COOPERATING AND COMBINING UNITS.]

*Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the commissioner has approved its plan to cooperate and combine under section 4.*

*Subd. 2. [AMOUNT OF AID.] The aid to be paid to each eligible local government unit is equal to the following per capita amounts, based on the combined population of the units, not to exceed \$100,000 per year for any unit.*

<i>Combined Population after Combination</i>	<i>Aid Per Capita</i>
<i>0 - 2,500</i>	<i>\$25</i>
<i>2,500 - 5,000</i>	<i>20</i>
<i>5,000 - 20,000</i>	<i>15</i>
<i>over 20,000</i>	<i>10</i>

*Payments shall be made on the dates provided for payments of local government aid under section 477A.013, beginning in the year during which substantial cooperative activities under the plan initially occur, unless those activities begin after July 1, in which case the initial aid payment shall be made in the following calendar year.*

*Subd. 3. [TERMINATION OF AID; RECAPTURE.] If a second referendum under section 5 fails, or if an initial referendum fails and the governing body does not schedule a second referendum within one year after the first has failed, or if one or more of the local government units that proposed to combine terminates its participation in the cooperation or combination, no additional aid will be paid under this section. The amount previously paid under this section to a unit must be repaid if the governing body of the unit acts to terminate its current level of participation in the plan. The amount previously paid to the unit must be repaid in annual installments equal to the total amount paid to the unit for all years under subdivision 2, divided by the number of years when payments were made.*

Sec. 9. [APPROPRIATION.]

*\$1,500,000 is appropriated to the commissioner of trade and economic development to be used to make the grants under section 1 and to pay the aids under sections 2 to 8. At least 40 percent of the amount appropriated under this section shall be used to make aid payments under sections 2 to 8 unless there are not enough qualified applicants for the cooperation and combination program to make use of the full appropriation.*

## ARTICLE 14

## DELINQUENT TAXES ON PERSONAL PROPERTY

## Section 1. [47.209] [MANUFACTURED HOME FINANCING; PROPERTY TAX ESCROW REQUIREMENT.]

*Any agreement entered into after December 31, 1991, for the financing or refinancing of a purchase of a manufactured home shall require that the lender maintain an escrow account for deposit of payments for property taxes payable on the manufactured home, and that the borrower make the required payments. As used in this section, "lender" includes a state bank and trust company, national banking association, state or federally chartered savings and loan association, mortgage bank, mutual savings bank, insurance company, credit union, or a dealer as defined in section 327B.01, subdivision 7, who enters into an agreement for financing or refinancing a purchase of a manufactured home.*

Sec. 2. Minnesota Statutes 1990, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.] Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home. The taxes are due on the last day of August, *except that if the tax exceeds \$50, one-half of the amount due may be paid on August 31, and the remainder on November 15.* Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. ~~On September 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.~~

## Sec. 3. [277.17] [ESCROW REQUIREMENT FOR DELINQUENCIES ON MANUFACTURED HOMES.]

*Subdivision 1. [CERTIFICATION TO MANUFACTURED HOME OWNER.] On or before October 15 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the personal property taxes due on August 31 are delinquent as of September 30. On or before December 31 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the taxes due on August 31 were not delinquent but the personal property taxes due on November 15 are delinquent as of December 15. The letter must inform the owner that due to the delinquency, the owner will be required under state law to begin making monthly payments of delinquent property taxes, and that the property taxes will also be escrowed for payment of property taxes the following year. The form and content of the notice to the owner shall be specified by the commissioner of revenue.*

*Subd. 2. [ESTABLISHMENT OF TAX ESCROW ACCOUNTS.] The county auditor must establish a tax escrow account for delinquent property taxes for each owner receiving a letter under subdivision 1. An owner who receives a notice regarding taxes due August 31 must pay an additional amount each month equal to ten percent of the delinquent personal property taxes, penalties, and interest due, plus ten percent of the tax payable in the following calendar year. If the owner fails to pay the tax due on November 15, the additional amount of tax due but unpaid will be added to the delinquent property taxes payable by installment under this section. An*

owner who receives a notice regarding taxes due November 15 must pay an additional amount each month equal to 15 percent of the delinquent taxes, penalties, and interest due, plus 12 percent of the tax payable in the following calendar year.

*Subd. 3. [COUNTY ESCROW.] Within 30 days of receipt of a letter from the county auditor under subdivision 1, the owner must make the first monthly payment under subdivision 2 to the county auditor. The commissioner of revenue shall prescribe the procedures to be used for monthly collections of the delinquent and current tax payments. If an owner is making the payments at the time required under this section, no action may be taken under section 4 with respect to the manufactured home for which the property taxes are being paid into the escrow account.*

**Sec. 4. [277.20] [LIEN FOR PERSONAL PROPERTY TAX.]**

*Subdivision 1. [CREATION OF LIEN.] Except for property exempt under subdivision 3, the tax assessed on personal property or manufactured homes and collectible under this chapter is a lien on all the real and personal property within this state of the person liable for the payment of the tax. The lien arises on January 2 of the year in which the tax is assessed and continues until the tax is paid. For purposes of this section and section 277.21, "tax" also includes penalty, interest, recording fees, sheriff fees, and court costs that may accrue on the unpaid tax.*

*Subd. 2. [FILING OF LIEN FOR ENFORCEABILITY.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor until a notice of lien has been filed by the county treasurer in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or that is a corporation, partnership, or other organization, in the office of the secretary of state. Priority of a lien created under this article shall be determined in accordance with the provisions of section 507.34. Liens filed in the office of the county recorder shall be filed with the state tax liens filed pursuant to section 270.69, and the index shall indicate the name of the county for which the lien was filed. If the land is registered, the notice of lien shall be filed in the office of the registrar of titles of the county in which the property is registered. Notwithstanding any other law to the contrary, the county treasurer is exempt from the payment of fees when the lien is offered for filing or recording; the fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.*

*Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable against the personal property listed as exempt in sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt under section 550.37, subdivision 12, are subject to lien under this section.*

*Subd. 4. [PERIOD OF LIMITATIONS.] Notwithstanding any other law to the contrary, the lien imposed by this section is enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. The notice of lien must be filed by the county treasurer within five years after the date of assessment of the tax. A notice of lien filed in one county may be transcribed to any other county within ten years after the date of*



*its filing, but the transcription does not extend the period during which the lien is enforceable. A notice of lien may be renewed by the county treasurer before the expiration of the ten-year period for an additional ten years. The taxpayer must receive written notice of the renewal.*

*Subd. 5. [ENFORCEABILITY OF LIEN.] The lien imposed by this section is enforceable by levy as authorized in section 277.21, or by judgment lien foreclosure as authorized in chapter 550.*

*Subd. 6. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.] If a lien has been filed by the county treasurer against real property under this section, and, after the recording of the lien, a mortgage foreclosure upon the real property is commenced under chapter 580, or a termination of contract of sale of the real property is commenced under section 559.21, notice of the mortgage foreclosure or termination of contract of sale must be mailed to the county treasurer at least 25 days before the foreclosure, sale, or date of termination. Notice need not be given under this subdivision if the lien has been filed within 30 days or less before the foreclosure, sale, or date of termination. The notice must contain the following information: (1) the name and address of the taxpayer; (2) a copy of the notice of mortgage foreclosure or contract for deed cancellation; (3) a copy of the lien filed by the county treasurer; (4) the total unpaid balance of the mortgage or contract for deed; and (5) a legal description of the property. Upon a request of a party providing notice under this subdivision, the county treasurer shall send to the party within one business day of receiving the notice a receipt for the notice.*

*Subd. 7. [FILING ENTITLEMENT.] Execution of notices of liens or of other notices affecting personal property tax liens by the county treasurer or a delegate entitles them to be filed, and no other attestation, certification, or acknowledgment is necessary.*

*Subd. 8. [LIEN SEARCH FEES.] Upon request of a person, the filing officer shall issue a certificate showing whether there is on file, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed after December 31, 1991, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate is as provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of lien, or notice or certificate affecting a lien, for a fee of \$1 per page.*

#### **Sec. 5. [277.21] [LEVY AND DISTRAINT.]**

*Subdivision 1. [COLLECTION AUTHORITY OF THE COUNTY TREASURER.] If a tax assessed on personal property or manufactured homes and collectible under this chapter is not paid when due, the county treasurer shall, as soon as practicable, take action the county treasurer considers necessary and reasonable to collect the delinquent tax. By mutual agreement, the county treasurer may use the services of the district court or the central collection unit of the county to effect collection. In addition, by inclusion and not limitation, the county treasurer may request a writ of execution to enforce any tax judgment or may levy and seize property under authority granted by this section. Taxes may be collected by the county treasurer within five years after the date of assessment of the tax, or if a lien has been filed, within the period the lien is enforceable, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property of the person*

liable for the payment of the tax. However, the right to levy does not extend to property that is exempt from execution under sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt per section 550.37, subdivision 12, are subject to levy and sale under this section. The term "levy" includes the power of distraint and seizure by any means. For this purpose, the term "tax" includes penalty, interest, and costs properly payable.

*Subd. 2. [NOTICE AND DEMAND; JEOPARDY COLLECTION.] At least 30 days before a levy is made, notice and demand for payment of the amount due must be given to the person liable for the payment or collection of the tax. If the county treasurer has reason to believe that collection of the tax is in jeopardy, notice and demand for immediate payment of the tax may be made by the county treasurer. If the tax is not paid, the county treasurer may proceed to collect by levy without regard to the 30-day period or the due date.*

*If collection of tax on personal property or manufactured homes is in jeopardy because of removal from the county or other reasons before the time that the taxes are calculated for the property for the current tax year, the county auditor shall immediately determine the amount of tax by applying the latest available levy rate and market value and shall notify the county treasurer of the amount of tax in jeopardy. The county treasurer may levy and seize the property without regard to prior notice or due date.*

*The notice required under this subdivision must be sent to the taxpayer's last known address and must include a brief statement that states in simple and nontechnical terms: (1) the administrative appeals available to the taxpayer with respect to the levy and sale; and (2) the alternatives available to the taxpayer that can prevent a levy, including an installment payment agreement under section 277.23.*

*Subd. 3. [MANNER OF EXECUTION AND SALE.] In making the execution of the levy and in collecting the taxes due, the county treasurer has all of the powers in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon, and the time and manner of redemption therefrom, must be consistent with authority granted to the commissioner of revenue to collect state taxes under sections 270.70 to 270.709. The seal of the court, subscribed by the court administrator, as provided in section 550.04, is not required. The levy for collection of taxes may be made, whether or not a legal action for collection of the taxes has been commenced.*

*Subd. 4. [STAY OF SALE.] (a) Except for a jeopardy collection under subdivision 2, property shall not be seized for collection of tax until the time has expired for filing an appeal of the assessment with the tax court under chapter 277, or section 274.19 in the case of a manufactured home. If a jeopardy assessment has been made, the owner may file an appeal with the tax court within 30 days after the notice of assessment is issued by the county. The notice shall advise the owner of the right of appeal. If a timely appeal has been filed, no sale may be made unless the taxes remain unpaid for a period of more than 30 days after final determination of the appeal by the tax court or by the appropriate judicial forum.*

*(b) Notwithstanding paragraph (a), seized property may be sold if:*

*(1) the taxpayer consents in writing to the sale; or*

*(2) the county treasurer determines that the property is perishable or may*

*become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.*

*Subd. 5. [PROBATE COURT JURISDICTION.] If a levy has been made to collect taxes under this section and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property may not be sold until the probate proceedings are completed or until the court so orders.*

*Subd. 6. [BOND OR SECURITY TO RELEASE A SEIZURE.] The property seized must be returned to the owner if the owner gives a surety bond equal to the appraised value of the owner's interest in the property, or deposits with the county treasurer security in a form and amount that is necessary to ensure payment of the liability, but not more than twice the liability.*

*Subd. 7. [INJUNCTION.] Notwithstanding any other provision to the contrary, if a levy or sale under this section would irreparably injure rights in property that the court determines to be superior to rights of the taxing districts in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit a sale.*

*Subd. 8. [PERSONAL LIABILITY.] A person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy, upon demand by the county treasurer, is personally liable to the treasurer in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for the collection of which the levy has been made. Any amount recovered under this subdivision must be credited against the tax liability for the collection of which the levy was made.*

*Subd. 9. [PENALTY.] In addition to the personal liability imposed by subdivision 8, if a person required to surrender property or rights to property fails or refuses to surrender the property or rights to property without reasonable cause, the person is liable for a penalty equal to 25 percent of the amount recoverable under subdivision 8. No part of the penalty may be credited against the tax liability for the collection of which the levy was made.*

*Subd. 10. [PERSON DEFINED.] The term "person" as used in subdivision 8 includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation. The county attorney shall take appropriate action against any person who has failed to comply with subdivision 8 or 9.*

*Subd. 11. [OPTIONAL REMEDY.] An action taken by the county treasurer under this section does not constitute an election to pursue a remedy to the exclusion of any other remedy.*

*Subd. 12. [EQUITABLE RELIEF.] Upon the seizure of property of a person, that person may, upon giving 48-hours notice to the county treasurer and to the court, bring a claim for equitable relief before the district court for the release of the property to the taxpayer upon terms and conditions the court considers equitable.*

*Subd. 13. [LEVY AND SALE BY SHERIFF.] If a tax collectible under this chapter is not paid as provided in subdivision 1 or 2, the county treasurer*

may, within the time prescribed for collection in subdivision 1, delegate authority by issuing a warrant to the sheriff of a county in the state of Minnesota directing the sheriff as the county treasurer's agent to levy on and sell the real and personal property of the person liable for the payment of the tax and to return the warrant and pay to the county treasurer the money collected within 120 days from the date of the warrant.

The sheriff shall proceed under authority of the warrant to levy on and seize any property and rights to property in the county belonging to the person liable for the payment of the tax, except that the right to levy and seizure does not extend to property that is exempt from execution under sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt under section 550.37, subdivision 12, are subject to levy under this section. The sheriff shall sell so much of the property levied on as is necessary to satisfy the amount of the warrant and the sheriff's costs.

Sales procedures, and the time and manner of redemption from them, must be consistent with the procedures in sections 270.701 to 270.709 for warrants issued by the commissioner of revenue. The sale proceeds, less the sheriff's costs, must be turned over to the county treasurer who issued the warrant. The proceeds must be applied as provided in section 270.708.

*Subd. 14. [PRIORITY OF LEVY.]* Notwithstanding section 52.12, a levy by the county treasurer made under this section on a taxpayer's funds on deposit in a financial institution located in this state, has priority over an unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the taxpayer to the financial institution. A claim by the financial institution that it exercised its right to setoff before the levy must be substantiated by evidence of the date of the setoff, and must be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of a levy made under this section, the levy must be treated as if it were an execution made under chapter 550.

*Subd. 15. [EFFECT OF HONORING LEVY.]* A person in possession of, or obligated with respect to, property or rights to property subject to levy on which a levy has been made who, upon demand by the county treasurer or agent, surrenders the property or rights to property, or pays a liability under subdivision 8, must be discharged from any obligation or liability to the person liable for the payment or collection of the delinquent tax with respect to the property or rights to property so surrendered or paid.

*Subd. 16. [NOTICE OF LEVY.]* Notwithstanding any other law to the contrary, the notice of a levy authorized by this section may be served by mail or by delivery by an employee or agent of the county treasurer.

**Sec. 6. [277.22] [ADJUSTMENT OF TAX LIABILITY.]**

If the amount of tax determined under section 277.21, subdivision 2, is greater than the corrected tax computed by applying the proper value and levy rate, the excess must be refunded to the person paying the tax. If the amount paid is less, the deficiency must be collected in the same manner as other personal property taxes not collected.

**Sec. 7. [277.23] [CONFESSION OF JUDGMENT FOR HOMESTEAD.]**

*Subdivision 1. [PROCEDURE.]* The owner or another person having an interest in a manufactured home classified and taxed as a homestead may

confess judgment and pay the delinquent personal property tax on the manufactured home in installments in the general manner provided in section 279.37 for real property tax. The provisions of section 279.37 apply to these confessions of judgment and installment payments, except as otherwise provided in this section. A down payment must be tendered of 20 percent of the amount of taxes, costs, penalty, and interest accrued to the date of tender. The balance of the judgment must be paid in four equal annual installments, plus interest on the unpaid balance as provided in this chapter.

The confession of judgment must be substantially in the following form:

"To the court administrator of the district court of . . . . . county:

Name of taxpayer: . . . . .

Location of manufactured home (county): . . . . .

Description of property: . . . . .

Tax Year (start with the most recent tax year in which you owe taxes)	Amount due (total of delinquent taxes, costs, interest, and penalty)
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

I am the owner of the manufactured home described above.

I offer to confess judgment on the following amount of the delinquent taxes on the property named above:

Amount to be paid: \$ . . . . .

I direct the court to enter judgment for that amount.

I waive all irregularities in the tax proceedings affecting these taxes, and I waive any defense or objection I may have to them.

I agree to pay 20 percent of the total amount now.

Amount paid now: \$ . . . . .

I agree to pay the balance of the amount in four equal annual installments. I agree to pay each installment on or before December 31 of each year after the year in which I file this form.

I agree to pay interest as provided in Minnesota Statutes, chapter 277. I agree that the interest is payable annually on the installments remaining unpaid.

I agree to pay current taxes each year before they become delinquent, unless I contest the taxes under Minnesota Statutes, chapter 277. If I do contest them, I agree to pay the amount decided by the tax court within 30 days after the court enters its final judgment in the proceedings.

Date: . . . . .  
Signature of taxpayer: . . . . ."

Upon receipt of the signed confession of judgment and the required payment, the county treasurer shall file the confession of judgment with the

*court administrator of the district court. When entered by the court administrator, the judgment has the same force and effect of other civil judgments in personam.*

*Subd. 2. [BILLING.] The county treasurer shall give notice by mail before December 1 of each year to the person making a confession of judgment at the address given in it of the payment due under the confession on the following December 31. If the county treasurer has not received the installment payment by December 31, the treasurer shall give notice by certified mail at the last known address of the person making the confession of judgment, without regard to the county or state of the person's residency. This notice must state that the property is subject to levy and sale if payment is not made for the preceding December 31 within 60 days. Failure to send or receive the notice does not postpone any payment or excuse any default under the confession of judgment. Proof of mailing must be made by the certificate of the county treasurer filed in the treasurer's office.*

*Subd. 3. [FEES.] The party making a confession of judgment shall pay the county treasurer a fee as set by the county board to defray the costs of processing the confession of judgment and making the annual billings required. Fees as set by the county board must be paid to the court administrator of the court for entry of judgment and for the entry of each full or partial release of the confession of judgment. Fees must be credited to the general revenue fund of the county.*

**Sec. 8. [277.24] [UNCOLLECTED TAXES.]**

*If at any time in the collection proceedings the county treasurer is satisfied that the tax cannot be collected for any reason or finds that the collection costs are excessive in comparison to the amount of tax involved, the treasurer may cancel the taxes due. A list of canceled taxes must be kept by the treasurer for a period of six years. The list must identify the taxpayer, the amount of uncollectible liability, and the reason for uncollectibility.*

**Sec. 9. [STUDY.]**

*The department of revenue shall study the issue of taxation of manufactured homes and report its specific recommendations to the legislature by March 1, 1993. The study shall include a review of the tax escrow requirements in section 1, and recommendations on the creation and enforcement of tax liens on manufactured homes. The department shall consult with the appropriate committees of the legislature and the Minnesota state bar association in conducting this study.*

**Sec. 10. [REPEALER.]**

*Minnesota Statutes 1990, sections 272.50; 272.51; 272.52; 272.53; 277.02; 277.03; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; and 277.13, are repealed.*

**Sec. 11. [EFFECTIVE DATE.]**

*Section 2 is effective for taxes payable in 1992 and thereafter. Section 3 is effective for taxes becoming delinquent in 1992 and thereafter.*

*Sections 4 to 8 and 10 are effective January 1, 1992, but the liens shall be enforceable only for taxes payable after January 1, 1992. A levy authorized by this article may be made to collect any tax remaining unpaid on the effective date, whether or not the tax is included in a judgment. Liens arising under Minnesota Statutes, section 272.50, shall remain in force*

*until taxes are paid, notwithstanding repeal of Minnesota Statutes, section 272.50.*

## ARTICLE 15 COLLECTIONS

Section 1. Minnesota Statutes 1990, section 270.274, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE REVIEW.] Within five days after a jeopardy assessment or *jeopardy* collection is made to assess or collect a tax administered by the commissioner of revenue, the commissioner shall provide the taxpayer with a written statement of the information relied on in making the assessment or levy. Within 30 days after the written statement is provided or, if not provided, within 35 days after the assessment or levy, the taxpayer may request the commissioner to review the action taken. After a request for review, the commissioner shall determine whether the assessment or levy is reasonable and whether the amount assessed or demanded as a result of the action is appropriate under the circumstances.

Sec. 2. Minnesota Statutes 1990, section 270.66, subdivision 3, is amended to read:

Subd. 3. [AGENCIES SHALL MAINTAIN RECORDS.] Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University of Minnesota (all hereafter called agency) shall provide that agency with *either* their social security number, *federal taxpayer identification number*, or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available, on request, to the commissioner for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. Furthermore, if the vendor has an uncontested delinquent tax liability, the setoff provided in subdivision 1 may be implemented. The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities.

Sec. 3. Minnesota Statutes 1990, section 270.68, subdivision 1, is amended to read:

Subdivision 1. [LEGAL ACTION.] In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may proceed under this subdivision. Within five years after the date of assessment of the tax, or, if the action is to renew *or enforce* a judgment, at any time before the judgment's expiration, the commissioner may bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in

which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the court administrator a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the court administrator therewith. The court administrator shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if any; and to the taxpayer's last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. To litigate the claim, or any part of it, the taxpayer shall serve an answer upon the commissioner on or before the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is served within the specified time, the court administrator, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct the proceedings on behalf of the state. If a proceeding is referred to a county attorney, and the county attorney fails to issue or cause to be issued an indictment or criminal complaint within 30 days after the referral by the commissioner, the attorney general may conduct the proceeding. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

*In addition to the procedure in this subdivision, legal action may be commenced by the commissioner in district court in the same manner or venue as any other civil action.*

Sec. 4. Minnesota Statutes 1990, section 270.69, is amended by adding a subdivision to read:

*Subd. 13. [FORTY-FIVE DAY RULE.] A notice of tax lien filed under this section has priority over a security interest arising under article 9 of the Uniform Commercial Code, codified as sections 336.9-101 to 336.9-508, that is perfected before the date of filing of the lien imposed by this section, but only if:*

*(1) the perfected security interest secures property acquired by the taxpayer or advances made by the secured party after the notice of tax lien is*



filed; and

(2) *the property is acquired or the advance is made after the 45th day following the day on which the notice of tax lien is filed, or after the secured party has actual notice or knowledge of the tax lien filing, whichever is earlier.*

Sec. 5. Minnesota Statutes 1990, section 270.70, subdivision 10, is amended to read:

Subd. 10. [PERSON DEFINED.] The term "person" as used in subdivision 8 includes an officer or employee of a corporation or a member or employee of a partnership who, as such officer, employee or member is under a duty to surrender the property or rights to property or to discharge the obligation. The personal liability imposed by subdivision 8 and the penalty imposed by subdivision 9 may, after demand to honor a levy has been made, be assessed by the commissioner within 60 days after service of the *levy demand*. An assessing tax order under this subdivision shall be appealable to the tax court without payment of the tax, penalty, or interest in the manner provided by law, but an appeal shall not preclude the commissioner from exercising any collection action the commissioner deems necessary to preserve the interests of the state while the matter is pending.

Sec. 6. Minnesota Statutes 1990, section 270.703, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF REAL ESTATE AFTER SALE.] The owners of any real property sold as provided in this section, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the property sold, or any particular tract of the property, at any time within 6 months, or in case the real property sold exceeds 10 acres in size, at any time within 12 months, after the sale thereof. The property or tract of property shall be permitted to be redeemed upon payment to the purchaser (or if not found in the county in which the property to be redeemed is situated, then to the commissioner, for the use of the purchaser, or the purchaser's heirs or assigns) of the amount paid by the purchaser together with interest at the rate ~~specified in section 549.09 from the date of the sale~~ *20 percent per annum*.

Sec. 7. Minnesota Statutes 1990, section 270.75, subdivision 4, is amended to read:

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter ~~290~~ *289A*, an amount in lieu of interest. The amount in lieu of interest for that taxable year shall be the amount determined in subdivision 5 for January 1 on which begins the taxable year or precedes the beginning of the taxable year. The amount in lieu of interest does not bear interest after the due date of the return for that taxable year.

Sec. 8. Minnesota Statutes 1990, section 289A.37, subdivision 1, is amended to read:

Subdivision 1. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. *When no return has been filed, the commissioner*

may make a return for the taxpayer under section 289A.35 or may send an order of assessment under this subdivision. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An order of assessment is final when made but may be reconsidered by the commissioner under section 289A.65.

(b) An amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 289A.65, within 60 days following the determination of the appeal.

Sec. 9. Minnesota Statutes 1990, section 289A.42, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION AGREEMENT.] If before the expiration of time prescribed in sections 289A.38 and 289A.40 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon. *The taxpayer and the commissioner may also agree to extend the period for collection of the tax.*

Sec. 10. Minnesota Statutes 1990, section 289A.60, is amended by adding a subdivision to read:

*Subd. 20. [PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.] Any person who:*

*(1)(i) organizes or assists in the organization of a partnership or other entity, an investment plan or arrangement, or any other plan or arrangement, or (ii) participates in the sale of any interest in an entity or plan or arrangement referred to in clause (i); and*

*(2) makes or furnishes in connection with the organization or sale a statement with respect to the allowability of a deduction or credit, the excludability of income, or the securing of any other tax benefit by reason of holding an interest in the entity or participating in the plan or arrangement that the person knows or has reason to know is false or fraudulent concerning any material matter, shall pay a penalty equal to the greater of \$1,000 or 20 percent of the gross income derived or to be derived by the person from the activity.*

*The penalty imposed by this subdivision is in addition to any other penalty provided by this section. The penalty must be collected in the same manner as any delinquent income tax. In a proceeding involving the issue of whether or not any person is liable for this penalty, the burden of proof is upon the commissioner.*

Sec. 11. Minnesota Statutes 1990, section 290.92, is amended by adding a subdivision to read:

*Subd. 6b. [JEOPARDY ASSESSMENTS.] The commissioner, on having reason to believe that the collection of the tax under this section, section 290.923, or chapter 289A will be jeopardized by delay, may immediately assess the tax, whether or not the time prescribed by law for making and filing the return and paying the tax has expired.*

Sec. 12. [REPEALER.]

*Minnesota Statutes 1990, sections 290.48, subdivisions 5 and 8; and 297A.39, subdivision 9, are repealed.*

Sec. 13. [EFFECTIVE DATES.]

*Sections 1, 2, 5, 7 to 10, and 12 are effective the day following final enactment.*

*Sections 3 and 11 are effective on the effective date of Laws 1990, chapter 480, article 1, section 45, in order that repealed provisions authorizing ordinary civil actions for the collection of taxes and jeopardy withholding tax assessments are replaced, with no lapse in time during which the repealed provisions and these sections are enforceable.*

*Section 4 is effective for liens filed on or after July 1, 1991.*

*Section 6 is effective for sales of seized property on or after August 1, 1991.*

## ARTICLE 16

### ELECTRONIC FUNDS TRANSFERS

Section 1. Minnesota Statutes 1990, section 115B.24, subdivision 2, is amended to read:

Subd. 2. [DECLARATIONS OF ESTIMATED TAX.] For 1983, every generator of hazardous waste required to pay a tax pursuant to section 115B.22 shall make a declaration of estimated hazardous waste generated for the last six months of calendar year 1983 if the tax can reasonably be estimated to exceed \$500. The declaration of the estimated tax shall be filed by October 15, 1983. The amount of estimated tax with respect to which a declaration is required shall be paid in two equal installments by October 15, 1983 and January 15, 1984. For 1984 and subsequent years, every generator of hazardous waste required to pay a tax pursuant to section 115B.22 shall make a declaration of estimated hazardous waste generated for the calendar year if the tax can reasonably be expected to be in excess of \$1,000. The declaration of estimated tax shall be filed by March 15. The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December.

An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each interval. If an amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

The commissioner of revenue may grant a reasonable extension of time

for filing any declaration but the extension shall not be for more than six months.

*If the aggregate amount of estimated tax payments made during a fiscal year ending June 30 is equal to or exceeds \$80,000, all estimated tax payments in the subsequent calendar year must be paid by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the estimated tax payment is due. If the date the estimated tax payment is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the estimated tax payment is due.*

Sec. 2. Minnesota Statutes 1990, section 289A.20, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.18, subdivision 1, or the extended due date as provided in section 289A.19, unless an earlier date for payment is provided.

Notwithstanding any other law, a taxpayer whose unpaid liability for income or corporate franchise taxes, as reflected upon the return, is \$1 or less need not pay the tax.

*A corporation required to make estimated tax payments by means of an electronic funds transfer must also make the payment with the return in accordance with section 289A.26, subdivision 2a.*

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.18, subdivision 1.

Sec. 3. Minnesota Statutes 1990, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person

withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

*(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds \$240,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.*

Sec. 4. Minnesota Statutes 1990, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes.

(b) A vendor having a liability of \$1,500 or more in May of a year must remit the June liability in the following manner:

(1) On or before June 20 of the year, the vendor must remit the actual May liability and one-half of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

*(d) A vendor having a liability of \$240,000 or more during a fiscal year*

*ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.*

Sec. 5. Minnesota Statutes 1990, section 289A.26, is amended by adding a subdivision to read:

*Subd. 2a. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] If the aggregate amount of estimated tax payments made during a calendar year is equal to or exceeds \$80,000, all estimated tax payments in the subsequent calendar year must be paid by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the estimated tax payment is due. If the date the estimated tax payment is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the estimated tax payment is due.*

Sec. 6. Minnesota Statutes 1990, section 296.14, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the

tax shown due thereon to the extent not timely paid.

*If the aggregate remittances made during a fiscal year ending June 30 equal or exceed \$240,000, all remittances in the subsequent calendar year must be made by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the remittance is due. If the date the remittance is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the remittance is due.*

Sec. 7. Minnesota Statutes 1990, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.] (a) Before July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5.

(b) After June 30, 1990, the commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor. *A distributor having a liability of \$240,000 or more during a fiscal year ending June 30 must remit all liabilities purchased on a credit basis in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.*

(c) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.

Sec. 8. 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 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

*A distributor having a liability of \$240,000 or more during a calendar year must remit all liabilities in the subsequent fiscal year ending June 30 by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.*

Sec. 9. Minnesota Statutes 1990, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

*A person liable for an excise tax of \$240,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.*

Sec. 10. Minnesota Statutes 1990, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. The tax is imposed upon the first sale or importation made in this state by a licensed



brewer or importer. The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it.

*A licensed brewer, importer, or distributor having an excise tax liability of \$240,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.*

Sec. 11. 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 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.

*(d) A distributor having a liability of \$240,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.*

Sec. 12. Minnesota Statutes 1990, section 473.843, subdivision 3, is amended to read:

Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.

*An operator having a fee of \$240,000 or more during a fiscal year ending June 30 must pay all fees in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the fee is due. If the date the fee is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the fee is due.*

Sec. 13. [EFFECTIVE DATE.]

*Sections 1 to 12 are effective for payments due in the calendar year beginning January 1, 1992, based upon payments made in the fiscal year ending June 30, 1991.*

## ARTICLE 17

### UNIFORM RECORDING OF STATE AND FEDERAL TAX LIENS

Section 1. Minnesota Statutes 1990, section 268.161, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] (a) Any contributions, benefit overpayments, or reimbursements due under this chapter and interest and penalties imposed with respect thereto, shall become a lien upon all the property, within this state, both real and personal, of the person liable therefor, from the date of assessment of the contribution, benefit overpayment, or reimbursement. The term "date of assessment" means the date a report was due or the payment due date of the notice of benefits charged to a reimbursable account.

(b)(1) The lien imposed by this section is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed by the commissioner in the office of the county recorder of the county in which the property is situated, or in the case of personal

property belonging to an individual who is not a resident of the state, or which is a corporation, partnership, or other organization, in the office of the secretary of state. When the filing of the notice of lien is made in the office of the county recorder, the fee for filing and indexing shall be as prescribed in sections 272.483 and 272.484.

*(2) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner of jobs and training, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the commissioner or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.*

*(3) County recorders and the secretary of state shall enter information relative to lien notices, renewals, and releases filed in their offices into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the department of jobs and training.*

(c) The lien imposed on personal property by this section, even though properly filed, is not enforceable against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38 and 550.39.

(d) A notice of tax lien filed pursuant to this section has priority over any security interest arising under chapter 336, article 9, which is perfected prior in time to the lien imposed by this section, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of tax lien is filed; and

(2) the property comes into existence after the 45th day following the day on which the notice of tax lien is filed, or after the secured party has actual notice or knowledge of the tax lien filing, whichever is earlier.

(e) The lien imposed by this section shall be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The delinquent employer must receive notice of the renewal.

(f) The lien imposed by this section shall be enforceable by levy as authorized in subdivision 8 or by judgment lien foreclosure as authorized in chapter 550.

Sec. 2. Minnesota Statutes 1990, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS; METHODS OF FILING; FEES.] (a) The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest,

mechanic's lienor, or judgment lien creditor whose interest has been duly perfected or is entitled to protection under applicable provisions of state law, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which real property is situated, or in the case of personal property belonging to an individual who is not a resident of this state or to a corporation, partnership, or other organization, in the office of the secretary of state, or in the case of personal property belonging to a resident individual, in the office of the county recorder of the county of residence of the individual. ~~Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.~~

*(b)(1) Notices of liens, and lien releases, transcriptions, and renewals, in a form prescribed by the commissioner of revenue, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the commissioner or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.*

*(2) County recorders and the secretary of state shall enter information relative to lien notices, transcriptions, renewals, and releases filed in their offices into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the department of revenue.*

*The filing and indexing of all notices must be in accordance with the filing and indexing of notices of federal liens, certificates of release, and refiled notices under section 272.483.*

*(c) Notwithstanding any other law to the contrary, the department of revenue is exempt from payment of fees when a lien, lien renewal, or lien transcription is offered for recording. The recording fees must be paid along with the release fee at the end of the month in which the release of lien is recorded, after receipt of a monthly statement from a county recorder or the secretary of state. The department of revenue shall add the recording fees to the delinquent tax liability of the taxpayer. Notwithstanding any other law to the contrary, the fee for filing or recording a notice of lien, or lien release, transcription, or renewal is \$15.*

*(d) There is appropriated to the commissioner of revenue an amount representing the cost of payment of recording fees to the county recorders and the secretary of state. The commissioner shall keep a separate accounting of the costs and of payments for recording fees remitted by taxpayers, and make the records available to the legislature upon request.*

Sec. 3. Minnesota Statutes 1990, section 270.69, subdivision 8, is amended to read:

Subd. 8. [FILING ENTITLEMENT.] Execution of notices of liens or of other notices affecting state tax liens by the original or facsimile signature of the commissioner of revenue or a delegate entitles them to be filed, and no other attestation, certification, or acknowledgment is necessary. *For purposes of this subdivision, transmission of notices under subdivision 2, paragraph (b), clause (1), constitutes execution.*

Sec. 4. Minnesota Statutes 1990, section 270.69, subdivision 9, is amended to read:

Subd. 9. [LIEN SEARCH FEES.] Upon request of any person, the filing officer shall issue a certificate showing whether there is ~~on file recorded in that filing office~~, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed ~~on or after June 30, 1979~~ *ten years before the date of the search certificate*, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of 50 cents per page.

Sec. 5. Minnesota Statutes 1990, section 272.479, is amended to read: 272.479 [SCOPE.]

This section and sections 272.481 to ~~272.487~~ 272.488 apply only to federal tax liens and to other federal liens notices of which under any act of Congress or any regulation adopted pursuant thereto are required or permitted to be filed in the same manner as notices of federal tax liens.

Sec. 6. Minnesota Statutes 1990, section 272.482, is amended to read: 272.482 [EXECUTION OF NOTICES AND CERTIFICATES.]

~~Certification~~ *Execution* of notices of liens, certificates, or other notices affecting federal liens by the secretary of the treasury of the United States or a delegate, or by any official or entity of the United States responsible for filing or certifying of notice of any other lien, entitles them to be filed and no other attestation, certification, or acknowledgment is necessary. *For purposes of this section, transmission of notices under section 272.488, subdivision 1, constitutes execution.*

Sec. 7. Minnesota Statutes 1990, section 272.483, is amended to read: 272.483 [DUTIES OF FILING OFFICER.]

(a) If a notice of federal lien, a refile of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state, the secretary shall cause the notice to be marked, held, and indexed ~~in accordance with the provisions of section 336.9-403, clause (4) of the uniform commercial code as if the notice were a financing statement within the meaning of that code~~ *alphabetically and numerically*; or

(2) any other officer described in section 272.481, the officer shall endorse identification thereon and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the file number of the lien, and the total amount appearing on the notice

of lien.

(b) If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the secretary of state for filing the secretary shall:

(1) cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code, but the notice of lien to which the certificate relates may not be removed from the files *until ten years and 30 days after the filing date of the lien*; and

(2) cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, the officer shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

(d) Upon request of any person, the filing officer shall issue a certificate showing whether there is ~~on file~~ *recorded in that filing office*, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed on or after ~~July 1, 1974~~ *ten years and 30 days before the date of the search certificate*, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate shall be that provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50 cents per page.

Sec. 8. Minnesota Statutes 1990, section 272.485, is amended to read:  
272.485 [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 272.481 to ~~272.487~~ 272.488 shall be so applied and construed as to effectuate its general purpose to make uniform the law with respect to the subject of sections 272.481 to 272.487 among those states which enact it.

Sec. 9. Minnesota Statutes 1990, section 272.486, is amended to read:  
272.486 [SHORT TITLE.]

Section 272.479 and sections 272.481 to ~~272.487~~ 272.488 may be cited as the Uniform Federal Lien Registration Act.

Sec. 10. [272.488] [COMPUTERIZED FILING OF TAX LIENS AND NOTICES.]

*Subdivision 1. [FILING OF NOTICES.] Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, and refiled notices of any of those items, in a form prescribed by the Internal Revenue Service, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411.*

*The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.*

*Subd. 2. [ENTRY OF INFORMATION.] County recorders and the secretary of state shall enter information relative to lien notices, releases, revocations of release, and refillings of any of those items into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the Internal Revenue Service.*

Sec. 11. Minnesota Statutes 1990, section 336.9-411, is amended to read: 336.9-411 [COMPUTERIZED FILING SYSTEM.]

(a) The secretary of state shall develop and implement a statewide computerized filing system to accumulate and disseminate information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents. The computerized filing system must allow information to be entered and retrieved from the computerized filing system by county recorders, *the department of revenue, the department of jobs and training, and the Internal Revenue Service.*

(b) County recorders shall enter information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents filed in their offices into a central data base maintained by the secretary of state. The information must be entered under the rules of the secretary of state. *This requirement does not apply to tax lien notices filed under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1, but does apply to entry of the date and time of receipt and county recorder's file number of those notices.*

(c) The secretary of state may allow private parties to have electronic-view-only access to the computerized filing system and to other computerized records maintained by the secretary of state on a fee basis. If the computerized filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year.

(d) The secretary of state shall adopt rules to implement the computerized filing system. The secretary of state may adopt permanent and emergency rules. The rules must:

(1) allow filings to be made at the offices of all county recorders and the secretary of state's office as required by section 336.9-401;

(2) establish a central data base for all information relating to liens and security interests that are filed at the offices of county recorders and the secretary of state;

(3) provide procedures for entering data into a central data base;

(4) allow the offices of all county recorders and the secretary of state's

office to add, modify, and delete information in the central data base as required by the uniform commercial code;

(5) allow the offices of all county recorders and the secretary of state's office to have access to the central data base for review and search capabilities;

(6) allow the offices of all county recorders to have electronic-view-only access to the computerized business information records on file with the secretary of state;

(7) require the secretary of state to maintain the central data base;

(8) provide security and protection of all information in the central data base and monitor the central data base to ensure that unauthorized entry is not allowed;

(9) require standardized information for entry into the central data base;

(10) prescribe an identification procedure for debtors and secured parties that will enhance lien and financing statement searches; and

(11) prescribe a procedure for phasing-in or converting from the existing filing system to a computerized filing system.

*(e) The secretary of state, county recorders, and their employees and agents shall not be liable for any loss or damages arising from errors in or omissions from information entered into the computerized filing system as a result of the electronic transmission of tax lien notices under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1.*

Sec. 12. Minnesota Statutes 1990, section 357.18, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of any general or special law to the contrary, the fees prescribed by this section shall govern the filing or recording of all instruments in the office of the county recorder other than uniform commercial code documents, and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c), 272.481 to ~~272.487~~ 272.488, and 386.77.

Sec. 13. Minnesota Statutes 1990, section 386.46, is amended to read:  
386.46 [DISPOSAL OF OBSOLETE RECORDS.]

Documents, filed or recorded by the county recorder, including sheriffs certificates, land title patents, incorporations, official bonds, mechanics liens, affidavits, probate court orders, district court orders, satisfactions, warranty deeds, quitclaim deeds, lis pendens, assignments and miscellaneous documents, but still in possession because uncalled for by their owner for ten years after the filing or recording, may be destroyed by the county recorder. ~~State and~~ Federal liens, except federal estate and gift tax liens, may be destroyed ten years *and 30 days*, and *state liens may be destroyed ten years* after their filing or last extension and stricken from the indexes.

Sec. 14. Minnesota Statutes 1990, section 508.25, is amended to read:  
508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold



it free from all encumbrances and adverse claims, excepting only the estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against it, if any:

(1) liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) the lien of any real property tax or special assessment for which the land has not been sold at the date of the certificate of title;

(3) any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;

(4) all rights in public highways upon the land;

(5) the right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) the rights of any person in possession under deed or contract for deed from the owner of the certificate of title;

(7) any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; *and*

(8) *any lien for state taxes.*

~~No existing or future liens or judgments arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under this chapter unless filed under the terms of this chapter.~~

Sec. 15. Minnesota Statutes 1990, section 508A.25, is amended to read:  
508A.25 [RIGHTS OF PERSON HOLDING CPT.]

Every person holding a CPT issued pursuant to sections 508A.01 to 508A.85 who has acquired title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only estates, mortgages, liens, charges, and interests as may be noted by separate memorials in the latest CPT in the office of the registrar, and also excepting the memorial provided in section 508A.351 and any of the following rights or encumbrances subsisting against the same, if any:

(1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) The lien of any real property tax or special assessment for which the land has not been sold at the date of the CPT;

(3) Any lease for a period not exceeding three years when there is actual occupation of the premises under it;

(4) All rights in public highways upon the land;

(5) The rights of any person in possession under deed or contract for deed from the owner of the CPT;

(6) Any liens, encumbrances, and other interests that may be contained in the examiner's supplemental directive issued pursuant to section 508A.22, subdivision 2;

(7) Any claims that may be made pursuant to section 508A.17 within five years from the date the examiner's supplemental directive is filed on the CPT; ~~and~~

(8) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; ~~and~~

(9) any lien for state taxes.

Sec. 16. [REPEALER.]

*Minnesota Statutes 1990, section 272.487, is repealed.*

Sec. 17. [EFFECTIVE DATE.]

*Sections 1 to 3, 6, 10, 11, 14, and 15 are effective for liens and notices affecting liens filed on or after January 1, 1992. Sections 4, 5, 7 to 9, 12, 13, and 16 are effective the day following final enactment.*

## ARTICLE 18

### AMBULANCE AND EMERGENCY SERVICES PERSONNEL

Section 1. Minnesota Statutes 1990, section 171.06, is amended by adding a subdivision to read:

*Subd. 2b. [SURTAX IMPOSED.] A surtax of \$2 is imposed on classified drivers license and classified under 21 drivers licenses in subdivision 2. This surtax does not apply to duplicate drivers licenses. The surtax must be paid into the state treasury and credited to the emergency medical services personnel account established in section 2.*

Sec. 2. Minnesota Statutes 1990, section 353D.01, is amended to read:

353D.01 [PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN.]

Subdivision 1. [ESTABLISHMENT.] The public employees defined contribution plan is administered by the public employees retirement association under supervision of the association board of trustees. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than nine members who are representative of the employers and employees who participate in the plan.

*Subd. 1a. [EMERGENCY MEDICAL SERVICES PERSONNEL ACCOUNT.] A separate account is created in the general fund to be known as the emergency medical services personnel account. The account consists of all funds deposited in the general fund from the drivers license surtax, and all funds forfeited under sections 8 and 9. Investment earnings on money in the account must be credited to the account.*

*Subd. 1b. [APPROPRIATION.] Money from the emergency medical services account is appropriated on January 1 each year to the public employees retirement association to fund the ambulance service personnel incentive program as provided in section 353D.031.*

Subd. 2. [ELIGIBILITY.] (a) Except as provided in section 353D.11, eligibility to participate in the retirement plan is open to:

(1) an elected local government official of a governmental subdivision who elects to participate in the plan who is not a member of the public employees retirement association within the meaning of section 353.01, subdivision 7; ~~and to;~~

(2) basic and advanced life support emergency medical service personnel

employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate; and

*(3) a person who qualifies to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.*

*(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Elected local government official does not include an elected county sheriff. Except as provided in section 353D.11, elected local government officials and first response personnel and emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the plan.*

Sec. 3. Minnesota Statutes 1990, section 353D.02, is amended to read:  
353D.02 [ELECTION OF COVERAGE.]

*Eligible (a) Elected local government officials eligible under section 353D.01, subdivision 2, paragraph (a), clause (1), may elect to participate in the plan after being elected or appointed to a public office by filing an application to participate on a form prescribed by the executive director of the association. Participation begins on the first day of the month after the application is received in the association's office or on the date when the term of office commences, whichever date is later. An election to participate in the plan is irrevocable during incumbency in office.*

*Each (b) For personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), a public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, whichever date is later. An election by a service or an individual is irrevocable.*

*(c) A person eligible under section 353D.01, subdivision 2, paragraph (a), clause (3), may elect to participate in the plan. The person must elect to participate or decline to participate by June 30, 1994, or by June 30 of the fiscal year after June 30, 1994, which the person first becomes qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.*

Sec. 4. [353D.021] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO PROVIDE PLAN INFORMATION TO CERTAIN AMBULANCE ATTENDANTS.]

*The public employees retirement association shall undertake all practical efforts to inform ambulance attendants, ambulance drivers, and ambulance service medical directors on an ongoing basis about the ambulance service personnel incentive program and their eligibility to elect to participate in this plan. The commissioner of health and the executive director of the state board of investment shall provide all reasonable assistance to the public employees retirement association in preparing relevant information on the incentive program and the plan.*

Sec. 5. Minnesota Statutes 1990, section 353D.03, is amended to read:

## 353D.03 [FUNDING OF PLAN.]

(a) An ~~eligible~~ elected local government official *eligible under section 353D.01, subdivision 2, paragraph (a), clause (1)*, who elects to participate in the public employees defined contribution plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.

(b) A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its ~~qualified~~ personnel *eligible under section 353D.01, subdivision 2, paragraph (a), clause (2)*, who individually elect to participate, except that personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions. ambulance service contributions. *An ambulance service with personnel for whom funding is provided under the paragraph that has ambulance attendants, ambulance drivers, and ambulance service medical directors qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031 may discontinue that funding if the ambulance service has given its participating personnel at least 18 months notice of its intent to discontinue its funding of the plan.*

Sec. 6. [353D.031] [AMBULANCE SERVICE PERSONNEL INCENTIVE PROGRAM.]

*Subdivision 1. [ADMINISTRATION.] The money credited in the emergency medical services personnel account must be allocated annually by the executive director of the public employees retirement association.*

*Subd. 2. [ELIGIBILITY FOR ALLOCATION.] (a) The money credited in the emergency medical services personnel account must be annually allocated on the basis of the number of qualified personnel and their credited service during the previous year ending June 30.*

*(b) The amount of revenue paid to the emergency medical services account since the effective date of this section or the date of the last allocation, whichever applies, plus any net investment income credited to the account, must be determined.*

*(c) The number of qualified personnel must be determined. Qualified personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors who:*

*(1) are employed by or serving an ambulance service that is licensed as such by the state of Minnesota;*

*(2) perform all or a predominant portion of services in Minnesota or on behalf of Minnesota residents, as certified by the chief administrative officer of the ambulance service;*

*(3) are currently certified by the department of health as an ambulance attendant, ambulance driver, or ambulance service medical director and are certified as active by the chief administrative officer of the ambulance service;*

(4) for the year in question, would be considered a volunteer attendant under section 144.8091, subdivision 2, except that the salary limit is \$3,000 for calendar year 1992, and is \$3,000 multiplied by the cumulative percentage increase in the national consumer price index for all urban wage earners published by the federal Department of Labor since December 31, 1992;

(5) for an ambulance service medical director, meets the salary limit set forth in clause (4) based only on the person's hourly stipends or salary for service as a medical director; and

(6) has credit for no more than 20 years of service.

(d) The amount of credited service by qualified personnel in the form of units must be determined. A year of service by a qualified person after the person elects to participate in the plan, or after January 1, 1992, whichever is later, is equal to two units. If a qualified person has service that would have qualified before the date of election of participation or January 1, 1992, whichever is later, the person must receive an additional one-fifth of a unit per year of that service for a maximum of five years, except that the person cannot receive credit for any year in which contributions were made by an ambulance service on the person's behalf under sections 353D.03 and 353D.04.

Subd. 3. [ALLOCATION.] The money available for allocation must be divided by the total number of units associated with qualified personnel to determine the dollar value of a unit. A qualified person is entitled to have deposited on the person's behalf in the person's individual account an amount equal to the dollar value of a unit multiplied by the person's number of units credited for that year under subdivision 2, paragraph (d).

Sec. 7. Minnesota Statutes 1990, section 353D.05, is amended to read: 353D.05 [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Employing unit contributions under section 353D.03 and ambulance service personnel incentive allocation under section 353D.031, after the deduction of an amount for administrative expenses, and individual participant contributions must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of the total contributions and ambulance service personnel incentive allocation to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. After a choice is made, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date occurring more

than 30 days after receipt of the written choice of options.

(c) One month before the start of a new guaranteed investment contract, a participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for a benefit payment under section 353D.07.

(d) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares in accounts other than the guaranteed return account. If a partial transfer of previously purchased shares is selected, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment option. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Subd. 3. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct an amount, ~~set annually by the executive director of the association, but not to exceed two percent of the employing unit contributions to the plan,~~ to defray the expenses of the association in administering the plan. *The amount must be set annually by the executive director of the association, but not to exceed two percent of the total amount of the employing unit contributions to the plan and the ambulance service personnel incentive allocation received by the plan.*

Sec. 8. [353D.051] [VESTING FOR INCENTIVE ALLOCATION.]

*(a) Sixty months of service credit, accumulated after the date on which the person elects to participate in the plan, are required for vesting of retirement benefits under section 353D.07, other than on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031. These 60 months must be accumulated within 120 months of the first month of service credit earned after the date on which the person elects to participate in the plan. No minimum period of service is required for vesting of benefits under section 353D.07, on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031, once the person has elected to participate in the plan. Upon completion of 60 months of service under the plan with one or more participating ambulance services, a participant terminating active service is entitled to receive the value of the participant's individual account as provided in section 353D.07.*

*(b) Amounts derived from ambulance service personnel incentive allocations under section 353D.031 that are credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after the date on which the person elects to participate in the plan, if the person does not have 60 months of service credit at that time. Funds forfeited must be added to the emergency medical services personnel account*

*for the subsequent January 1 allocation under section 353D.031.*

Sec. 9. Minnesota Statutes 1990, section 353D.06, is amended to read:  
353D.06 [REPORTING.]

The executive director of the public employees retirement association shall prescribe the reporting forms required from employing units and the election forms required from participants. Reporting forms must contain names, identification numbers, amount of contribution by and on behalf of each participant, and such other data as is required to keep an accurate record of the account value of each participant *and to determine eligibility for aid allocations of ambulance service personnel incentive amounts under section 353D.031.*

*In the event an ambulance service fails to provide required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue, its members forfeit the service units credited and its members are not entitled to the ambulance service personnel incentive amount allocated for that year. Ambulance services that provide fraudulent information are subject to criminal prosecution.*

Sec. 10. [353D.091] [FEDERAL REQUIREMENTS.]

*Subdivision 1. [PLAN TAX QUALIFICATION AND STATUS.] The public employees retirement association shall seek a determination from the Internal Revenue Service regarding the tax qualification status of the incentive program and from the United States Department of Labor regarding whether the incentive program must comply with federal Employee Retirement Income Security Act (ERISA) requirements.*

*Subd. 2. [REPORT TO LEGISLATURE.] The executive director shall immediately report the results of each determination to the chairs of the senate governmental operations committee, house governmental operations committee, and legislative commission on pensions and retirement.*

*Subd. 3. [IMPLEMENTATION DELAY.] The association shall not credit participants with service units nor transfer money from the emergency medical services personnel account under section 353D.031, subdivision 1, into individual accounts unless written notification is received from (1) the Internal Revenue Service that implementation of the incentive program does not jeopardize the tax-exempt status of the defined contribution plan or a public pension plan under section 356.30, subdivision 3, and (2) the United States Department of Labor that the incentive program need not comply with federal ERISA requirements, including any requirements for tax-deferred treatment of contributions and interest earned on contributions.*

*Subd. 4. [RULES AND POLICIES.] If the incentive program receives favorable determinations from both the Internal Revenue Service and the United States Department of Labor, the association shall formulate and adopt rules or policies in accordance with the restrictions and standards of the Internal Revenue Code and rules and regulations of the Internal Revenue Service.*

Sec. 11. [EFFECTIVE DATE.]

*If the requirements under section 10 are met by June, 1992, sections 1 to 5 and 9 are effective July 1, 1992, and section 6 is effective January 1, 1993. If not, sections 1 to 10 are inoperative.*

ARTICLE 19  
REVERSE MORTGAGES

Section 1. Minnesota Statutes 1990, section 47.58, subdivision 6, is amended to read:

Subd. 6. [TAXES; INSURANCE.] The borrower shall pay real estate taxes, assessments and insurance premiums on the property securing the loan, and the lender may require the borrower to provide evidence of payment. *Mortgage registry tax required under sections 287.01 to 287.12 must be paid at the time of the recording or registering of the original reverse mortgage.* If the borrower does not make timely payment the lender may pay taxes, assessments, insurance premiums and other similar charges for the protection of the property securing its loan and may add these payments to the outstanding loan balance if not repaid by the borrower within 60 days after the borrower receives notice that the lender has made the payment.

Sec. 2. Minnesota Statutes 1990, section 287.05, is amended to read:

287.05 [TAX ON RECORDATION OR REGISTRATION; SUPPLEMENTAL MORTGAGES.]

Subdivision 1. [TAX IMPOSED.] A tax of 23 cents is imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein. The tax imposed by this section shall not apply to a contract for the conveyance of any interest in real estate.

Subd. 2. [SUPPLEMENTAL MORTGAGES.] Any supplemental mortgage, *not including revisions to a reverse mortgage as described under subdivision 6*, securing a portion or all of the same indebtedness, whether or not additional security is included, shall be taxed in the following manner:

(a) Any additional indebtedness shall be taxed on the ratio that the value of the real estate therein described in this state bears to the value of the whole of the real estate described therein.

(b) If there is no additional indebtedness but the percentage of the Minnesota real estate as compared to the total real estate secured by the previous mortgage is increased, the tax shall be recomputed and paid on the remaining indebtedness multiplied by the difference between that percentage of Minnesota real estate included in the supplemental mortgage and that percentage included in any previous mortgage.

(c) In the event of both an increase in the indebtedness and a change in the Minnesota percentage of real estate given as security, the tax shall be recomputed on the portion representing new indebtedness in the manner provided in (a) and in the event of an increase in the percentage of Minnesota property included as security, the tax shall be computed on the remaining portion of the indebtedness as provided in (b).

Subd. 3. [REVOLVING LINES OF CREDIT.] When a mortgage, *including a reverse mortgage*, secures a revolving line of credit under which



advances, payments, and readvances may be made from time to time, the tax imposed under subdivision 1 shall be paid on the maximum amount of the line of credit which may be secured at any one time, as expressed in the mortgage, regardless of the time or amount of advances, payments, or readvances.

Subd. 4. [ADVANCES BY MORTGAGEE.] No tax under subdivision 1 shall be paid on the indeterminate amount which may be advanced by the mortgagee in protection of the mortgaged premises or the mortgage, including taxes, assessments, charges, claims, fines, impositions, insurance premiums, amounts due upon prior or superior mortgages and other prior or superior liens, encumbrances and interests, and legal expenses and attorneys' fees.

Subd. 5. [INDETERMINATE AMOUNTS.] When a mortgage secures an indeterminate amount other than those described in subdivision 3 ~~or~~, 4, or 6, no tax shall be paid at the time the mortgage is recorded or registered, but the tax must be paid at the time of recording or filing an affidavit stating the amount and time of the actual advance.

Subd. 6. [REVERSE MORTGAGES.] *If real property secures a reverse mortgage, the principal debt or obligation to which mortgage registry tax applies is the expected total disbursements or cash equivalent to be made under the terms of the loan. Interest accruing on the disbursements made is not subject to mortgage registry tax. In the case of periodic payments made for an indefinite length of time, the expected total disbursements must equal the product of the periodic payment amounts and the number of payments and, if applicable, the amount of cash distribution or its equivalent. The number of payments must be based upon the life expectancy assumption used in determining the payment amount. In the case of reverse mortgages made as part of the Housing and Community Development Act of 1987, section 255 of the National Housing Act, and administered by the Department of Housing and Urban Development (HUD), mortgage registry tax must not be assessed on Federal Housing Administration mortgage insurance premiums, monthly lender service fees, or payments to be distributed to the borrower by HUD.*

Sec. 3. [EFFECTIVE DATE.]

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

## ARTICLE 20

### MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 14.03, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING PROCEDURES.] The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(3) rules of the division of game and fish published in accordance with

section 97A.051;

(4) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(5) opinions of the attorney general;

(6) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(7) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;  
of

(8) the occupational safety and health standards provided in section 182.655; or

(9) revenue notices and tax information bulletins of the commissioner of revenue.

Sec. 2. Minnesota Statutes 1990, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to ~~from~~ the budget and cash flow reserve account ~~such amounts as are available~~ the amount necessary to bring the total amount, including any existing balance in the account on June 30, ~~1989~~ 1991, to ~~\$550,000,000~~ \$300,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 3. Minnesota Statutes 1990, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules is a condition of obtaining or retaining a permit to operate the facility.

(b) The agency shall amend the rules adopted under paragraph (a) to allow a municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, to meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds

are needed for a contingency action, sufficient bonds can and will be issued by the municipality to meet its responsibility. The rules must include at least:

(1) a requirement that the governing body of the municipality enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs calculated under the rules;

(2) a requirement that the municipality assure that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means;

(3) a requirement that when a municipality opts under the rules to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside funds that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action; and

(4) a requirement that a municipality have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(c) Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules. The method for proving financial responsibility developed under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, *unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities are limited to a period of not more than three years.*

Sec. 4. Minnesota Statutes 1990, section 138.17, subdivision 1a, is amended to read:

Subd. 1a. [RECORDS INSPECTION.] Government records which a state agency, political subdivision, or statewide system lists on a records disposition application or records schedule, or on which archival assistance or advice is requested, may be inspected by state archives' employees if state archives gives prior notice. Employees of the archives shall have access to the records for the purpose of determining the historical or other continuing value of the records, regardless of the records' classification pursuant to chapter 13 or 270B. Employees of the archives shall be liable to the penalties set forth for improper disclosure by them of private, confidential, nonpublic, or protected nonpublic data inspected for this purpose.

Sec. 5. [270.0604] [REVENUE NOTICES.]

*Subdivision 1. [AUTHORITY.] The commissioner of revenue may make, adopt, and publish interpretive revenue notices. A "revenue notice" is a policy statement that has been published pursuant to subdivision 5 and that provides interpretation, details, or supplementary information concerning the application of law or rules. Revenue notices are published for the information and guidance of taxpayers, the department of revenue, and others concerned.*

*Subd. 2. [EFFECT.] Revenue notices do not have the force and effect of law and have no precedential effect, but may be relied on by taxpayers until revoked or modified. A notice may be expressly revoked or modified by the department, by the issuance of a revenue notice, but may not be revoked or modified retroactively to the detriment of the taxpayers. A change in the law or an interpretation of the law occurring after the revenue notice is issued, whether in the form of a statute, court decision, administrative rule, or revenue notice, results in revocation or modification of the notice to the extent that the change affects the notice.*

*Subd. 3. [RETROACTIVITY.] Revenue notices are generally interpretive of existing law and therefore are retroactive to the effective date of the applicable law provision unless otherwise stated in the notice.*

*Subd. 4. [ISSUANCE.] The issuance of revenue notices is at the discretion of the commissioner of revenue. The commissioner shall establish procedures governing the issuance of revenue notices and tax information bulletins.*

*Subd. 5. [PUBLICATION.] The commissioner shall publish the revenue notices in the State Register and in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.*

*Subd. 6. [APPLICABILITY.] This section does not apply to property tax law.*

**Sec. 6. [270.0605] [TAX INFORMATION BULLETINS.]**

*The commissioner of revenue may issue tax information bulletins. "Tax information bulletins" are informational guides to enable taxpayers to become more familiar with Minnesota tax laws and their rights and responsibilities under the tax laws. Nothing contained in the tax information bulletins supersedes, alters, or otherwise changes any provisions of the Minnesota tax law, administrative rules, court decisions, or revenue notices.*

Sec. 7. Minnesota Statutes 1990, section 270.067, subdivision 1, is amended to read:

Subdivision 1. [STATEMENT OF PURPOSE.] State governmental policy objectives are sought to be achieved both by direct expenditure of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures have an effect on the ability of the state and local governments to lower tax rates or to increase expenditures. As a result, tax expenditures should receive a regular and comprehensive review by the legislature as to (a) their total cost, (b) their effectiveness in achieving their objectives, (c) their effect on the fairness and equity of the distribution of the tax burden, and (d) the public and private cost of administering tax expenditure financed programs. This section is intended to facilitate a regular review of the state and local tax expenditure budget by the legislature by providing for the preparation of a regular *biennial* tax expenditure budget.

Sec. 8. Minnesota Statutes 1990, section 270.067, subdivision 2, is amended to read:

Subd. 2. [PREPARATION; SUBMISSION.] The commissioner of revenue shall prepare a tax expenditure budget for the state ~~every four years~~. The tax expenditure budget report shall be submitted to the legislature as a supplement to the governor's budget and at the same time as provided for submission of the budget pursuant to section 16A.11, subdivision 1; ~~except~~

~~that the next such report shall be submitted in 1993, and every four years thereafter.~~

Sec. 9. Minnesota Statutes 1990, section 270B.09, is amended to read:  
270B.09 [CONTRACTS WITH THE STATE; SETOFF.]

The commissioner may disclose to the department of finance or any state agency making payment to a vendor as described in section 270.66 or 290.97 whether the vendor has an uncontested delinquent tax liability owed to the commissioner and the amount of any liability. *The commissioner may also disclose taxpayer identity information to the department of finance and to the University of Minnesota, solely for vendor setoff purposes.*

Sec. 10. Minnesota Statutes 1990, section 287.22, is amended to read:  
287.22 [EXCEPTIONS.]

The tax imposed by section 287.21 shall not apply to:

A. Any executory contract for the sale of land under which the vendee is entitled to or does take possession thereof, or any assignment or cancellation thereof.

B. Any mortgage or any assignment, extension, partial release, or satisfaction thereof.

C. Any will.

D. Any plat.

E. Any lease.

F. Any deed, instrument, or writing in which the United States or any agency or instrumentality thereof is the grantor, assignor, transferor, conveyor, grantee or assignee.

G. Deeds for cemetery lots.

H. Deeds of distribution by personal representatives.

I. Deeds to or from coowners partitioning undivided interests in the same piece of property.

*J. Any deed or other instrument of conveyance issued pursuant to a land exchange under section 92.121 and related laws.*

Sec. 11. Minnesota Statutes 1990, section 289A.39, subdivision 1, as amended by Laws 1991, chapter 18, section 2, 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 the filing of petitions under chapter 278 that would otherwise be due May 15, 1991*, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, as provided in section 7508 of the Internal Revenue Code of 1986, as amended through 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. 12. Minnesota Statutes 1990, section 290.611, subdivision 1, is amended to read:

Subdivision 1. No person who prepares, aids in the preparation, processes, *transmits*, consults with respect to or reviews a state or federal tax return for another person, corporation, partnership, association or other taxpayer shall divulge any particulars of such return, except to authorized employees of the department of revenue or of the Internal Revenue Service in the course of an examination, without the written permission of such person, corporation, partnership, association or other taxpayer or the legally appointed representative of such taxpayer if such taxpayer is deceased, incompetent or otherwise unable to give such consent. The provisions of this subdivision shall not apply to disclosure by an employee of the department of revenue or of the Internal Revenue Service to other employees of such department or service where such disclosure is necessary for the effective administration of the tax laws of the state or the federal government.

Sec. 13. Minnesota Statutes 1990, section 469.167, subdivision 2, is amended to read:

Subd. 2. [DURATION.] The designation of an area as an enterprise zone shall be effective for seven years after the date of designation, except that enterprise zones in border cities eligible to receive allocations for tax reductions under section 469.169, subdivisions 7 and 8, and under section 469.171, subdivision 6a or 6b, shall be effective until these allocations have been expended.

Sec. 14. Minnesota Statutes 1990, section 469.171, is amended by adding a subdivision to read:

*Subd. 6b. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reduction authorized under section 469.169, subdivisions 7 and 8, and under subdivision 6a, the commissioner may allocate \$1,000,000 for tax reductions as provided in this section to enterprise zones designated under section 469.168, subdivision 4, paragraph (c), except for zones located in cities of the first class. The money shall be allocated among the zones on a per capita basis. Limits on the maximum allocation to a zone imposed by section 469.169, subdivision 7, do not apply to allocations made under this subdivision.*

Sec. 15. 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 *tax-exempt* bond 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 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, whichever is appropriate.*

Sec. 16. Laws 1974, chapter 285, section 4, as amended by Laws 1989, chapter 328, article 4, section 6, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.]

To finance the programs authorized in section 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 issuances of 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. 17. [PENNINGTON COUNTY; THIEF RIVER FALLS; STUDENT HOUSING.]

*Subdivision 1. Pennington county or the city of Thief River Falls may construct and own student housing in the county or city. The county or city may incur debt as provided by Minnesota Statutes, chapter 475, to finance the cost of the student housing, which is a purpose like other purposes stated in Minnesota Statutes, section 475.52. Payment of the debt may be secured by either or both the pledge of revenue from the housing or the pledge of the full faith and credit of the county or city. An election is not necessary to authorize obligations issued under the authority provided by this section.*

*Subd. 2. Subdivision 1 takes effect separately for Pennington county and the city of Thief River Falls upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by their respective governing bodies.*

*Subd. 3. Property taxes may not be levied under this section until the 1992 levy, payable in 1993 and thereafter.*

Sec. 18. [DEPARTMENT OF REVENUE; APPROPRIATION.]

*\$76,000 is appropriated from the general fund to the commissioner of revenue for purposes of preparing the income tax samples under Minnesota*

*Statutes, section 270.0681.*

Sec. 19. [ENTERPRISE ZONE FUNDING; APPROPRIATION.]

*\$1,000,000 is appropriated to the commissioner of trade and economic development to be used to provide additional enterprise zone allocations for tax reductions under section 14.*

Sec. 20. [EFFECTIVE DATE.]

*Sections 4, and 9 to 12 are effective the day following final enactment. Sections 1, 3, 5, and 6 are effective July 1, 1991."*

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; reducing the amount in the budget and cash flow reserve account; modifying certain local taxes and fees; updating references to the Internal Revenue Code, modifying tax increment financing laws; changing certain bonding provisions; changing provisions for light rail transit; changing certain eminent domain powers; changing provisions relating to certain ambulance and emergency services personnel plans; establishing programs to provide incentives for local government service sharing and mergers; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, school districts and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2, and by adding a subdivision; 13.54, by adding a subdivision; 14.03, subdivision 3; 16A.15, subdivision 6; 18.022, subdivision 2; 43A.316, subdivision 9; 47.58, subdivision 6; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 2, 4, 5, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 86B.401, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 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; 270A.03, subdivision 7; 270B.09; 271.04; 271.21, subdivision 6; 272.02, subdivisions 1 and 4; 272.025, subdivision 1; 272.03, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding a subdivision; 273.111, subdivision 6; 273.12; 273.124, subdivisions 1, 9, 13, and 14; 273.13, subdivisions 22, 23, and 25; 273.1398, subdivisions 1, 3, 5, and 6; 273.1399, subdivisions 1 and 3; 274.19, subdivision 3; 275.065, subdivisions 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5 and 5a; 275.51, subdivisions 3f, 3h, and 3j; 276.04, subdivision 2; 276.041; 277.01; 278.01, subdivision 1; 278.05, subdivision 4; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 282.33, subdivision 1; 287.05; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.26, subdivisions



1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.39, subdivision 1, as amended; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding a subdivision; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 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, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, subdivision 2h; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 25; 296.026, subdivisions 1, 2, 7, and by adding subdivisions; 296.14, subdivision 1; 297.01, subdivision 7; 297.02, subdivision 1; 297.03, subdivisions 1, 2, 4, 5, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.32, subdivisions 1 and 2; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, and by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.25, subdivisions 1, 10, 12, and by adding a subdivision; 297A.255, subdivision 5; 297B.02, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 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; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298A.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.167, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivisions 7 and 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.1831, subdivision 4; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivision 27, as amended, and by adding subdivisions; 477A.012, subdivision 1, as amended, and by adding subdivisions; 477A.013, subdivision 3, as amended, and by adding a subdivision; 477A.014, subdivisions 1, as amended, 4, and by adding a subdivision; 477A.015; 508.25; 508A.25; 515A.1-105, subdivision 1; 515A.4-102; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1983, chapter 342, article 19, section 1; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1988, chapter 719, article 16, section 1, subdivision 3; Laws 1989, First Special Session chapter 1, article 5, section 50; and article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, sections 46, subdivision 1; 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; article 4, sections

19 and 22; article 6, sections 9 and 11; article 7, sections 29, subdivision 1, and 30, subdivision 7; and Laws 1991, chapter 2, article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 47; 117; 268; 270; 272; 275; 277; 295; 296; 297; 297A; 325D; 353D; 451; and 465; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 277.02; 277.03; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; and Laws 1989, chapter 277, article 4, section 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Paul Anders Ogren, Dee Long, Edgar Olson, Ann H. Rest, Joel Jacobs

Senate Conferees: (Signed) Douglas J. Johnson, David J. Frederickson, Lawrence J. Pogemiller, Ember D. Reichgott, Leonard R. Price

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1086 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. 1086 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott
Beckman	Dicklich	Kelly	Mondale	Riveness
Berg	Finn	Kroening	Morse	Sams
Berglin	Flynn	Langseth	Novak	Samuelson
Bertram	Frank	Lessard	Pappas	Solon
Chmielewski	Frederickson, D.J.	Luther	Piper	Spear
Cohen	Hottinger	Marty	Pogemiller	Stumpf
Dahl	Hughes	Merriam	Price	Traub
Davis	Johnson, D.J.	Metzen	Ranum	Vickerman

Those who voted in the negative were:

Belanger	Day	Johnston	Mehrkens	Storm
Benson, D.D.	Frederickson, D.R.	Knaak	Neuville	
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### 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.

### REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, pursuant to Rule 40 and on request of Mr. Solon, first author, recommends that

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, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R.

be withdrawn from the Committee on Metropolitan Affairs and be referred to the Committee on Finance. Report adopted.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 53 at 4:20 p.m.:

Messrs. Beckman, DeCramer, Mehrkens, Metzen and Langseth. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 478:

H.F. No. 478: A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; 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; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year

of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 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; 204B.45, 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.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Lasley, Scheid, Osthoff, Abrams and Solberg have been appointed as such committee on the part of the House.

House File No. 478 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1991

Mr. Hughes moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 478, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1631:

H.F. No. 1631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b;

79.34, subdivision 1; 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; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 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; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 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; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kahn, Pugh, Solberg, Trimble and Bishop have been appointed as such committee on the part of the House.

House File No. 1631 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1991

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1631, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Janezich, Jefferson and Pellow.

Senate File No. 81 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1991

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Wagenius; Johnson, R. and Pauly.

Senate File No. 793 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1991

## RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

## APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 880: Messrs. Spear, Kroening and McGowan.

H.F. No. 1042: Messrs. Frederickson, D.R.; Beckman and Metzen.

H.F. No. 1371: Messrs. Berg, Vickerman and Bernhagen.

S.F. No. 1027: Messrs. Price, Merriam and Larson.

S.F. No. 687: Messrs. Dahl, Stumpf and Ms. Olson.

H.F. No. 478: Messrs. Hughes; Luther; Pogemiller; Johnson, D.E. and Ms. Piper.

H.F. No. 1631: Messrs. Kroening, Luther, McGowan, Merriam and Cohen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 187 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON 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.

May 7, 1991

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 187, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 187 be further amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 145B.01, is amended to read:

145B.01 [CITATION.]

This chapter may be cited as the “~~adult health care decisions act~~ *Minnesota living will act.*”

Page 6, line 20, delete “and is notarized”

Page 6, line 22, delete everything after “the”

Page 6, line 23, delete everything before the period and insert “*nature and significance of the declaration*”

Page 11, after line 4, insert:

“Sec. 6. [INSTRUCTION TO REVISOR.]

*In Minnesota Statutes 1992 and subsequent editions of the statutes, the revisor of statutes shall change the term “declaration” to “living will” wherever that term appears in Minnesota Statutes, chapter 145B.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "mental"

Page 1, line 5, after the semicolon, insert "changing the citation of the adult health care decisions act and using the term "living will";"

Page 1, line 6, after "sections" insert "145B.01;"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Allan H. Spear, Linda Berglin, William V. Belanger, Jr.

House Conferees: (Signed) Lee Greenfield, Gloria M. Segal, Dave Bishop

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 187 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 187 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knaak	Neuville	Sams
Belanger	Finn	Kroening	Novak	Samuelson
Benson, D.D.	Flynn	Laidig	Olson	Solon
Berg	Frederickson, D.J.	Larson	Pappas	Spear
Berglin	Frederickson, D.R.	Lessard	Pariseau	Storm
Bernhagen	Halberg	Luther	Pogemiller	Traub
Bertram	Hottinger	McGowan	Price	Vickerman
Chmielewski	Hughes	Metzen	Ranum	
Cohen	Johnson, D.E.	Moe, R.D.	Renneke	
Davis	Johnson, J.B.	Mondale	Riveness	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MEMBERS EXCUSED

Mr. Waldorf was excused from the Session of today. Ms. Pappas was excused from the Session of today from 1:00 to 1:50 p.m. Mr. Renneke was excused from the Session of today from 1:00 to 1:40 p.m. and from 2:30 to 4:00 p.m. Mr. Frank was excused from the Session of today at 4:10 p.m. Mr. Johnson, D.J. was excused from the Session of today at 4:30 p.m. Mr. Belanger was excused from the Session of today at 4:40 p.m. Ms. Johnston and Mrs. Benson, J.E. were excused from the Session of today from 4:30 to 4:40 p.m.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Monday, May 13, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## FIFTY-SECOND DAY

St. Paul, Minnesota, Monday, May 13, 1991

The Senate met at 12:30 p.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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	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.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 10, 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
	954	66	9:10 a.m. May 10	May 10
	246	68	2:15 p.m. May 9	May 9
	274	69	9:13 a.m. May 10	May 10
	415	70	9:15 a.m. May 10	May 10
	832	71	9:18 a.m. May 10	May 10
	877	72	2:18 p.m. May 9	May 9
	620	73	9:21 a.m. May 10	May 10
	179	74	2:23 p.m. May 9	May 9

Sincerely,  
Joan Anderson Growe  
Secretary of State

### REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-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. Report adopted.

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

S.F. No. 716: A bill for an act relating to domestic abuse; 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; 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, subdivisions 4, 6, and 14; 609.135, subdivision 2; and 629.72, subdivision 2.

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

Page 8, delete section 6

Amend the title as follows:

Page 1, line 13, delete "appropriating money;"

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

adopted.

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

S.F. No. 819: A bill for an act relating to human services; providing funding for various pilot projects.

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

Delete everything after the enacting clause and insert:

"Section 1. [MENTAL HEALTH RESIDENTIAL SERVICES PILOT PROGRAMS.]

*Subdivision 1. [OLMSTED COUNTY.] The commissioner of human services shall provide the grant money allocated to Olmsted county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Olmsted county and the local housing and redevelopment authority for enhanced community support services for persons with mental illness through the dispersed apartment pilot program.*

*Subd. 2. [GOODHUE COUNTY.] The commissioner of human services shall provide the grant money allocated to Goodhue county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Goodhue county to provide supportive housing services for persons who are chronically mentally ill.*

*Subd. 3. [FILLMORE COUNTY.] The commissioner of human services shall provide the grant money allocated to Fillmore county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Fillmore county to provide supportive housing services for persons who are chronically mentally ill."*

Amend the title as follows:

Page 1, line 2, delete "providing funding for" and insert "authorizing"

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. 1657 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.
				1657	1528

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. 1190 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.
1190	1380				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1190 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1190 and insert the language after the enacting clause of S.F. No. 1380, the first engrossment; further, delete the title of H.F. No. 1190 and insert the title of S.F. No. 1380, the first engrossment.

And when so amended H.F. No. 1190 will be identical to S.F. No. 1380, and further recommends that H.F. No. 1190 be given its second reading and substituted for S.F. No. 1380, 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. 118 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.
				118	853

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 118 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 118 and insert the language after the enacting clause of S.F. No. 853, the first engrossment; further, delete the title of H.F. No. 118 and insert the title of S.F. No. 853, the first engrossment.

And when so amended H.F. No. 118 will be identical to S.F. No. 853, and further recommends that H.F. No. 118 be given its second reading and substituted for S.F. No. 853, 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. 1142 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.
1142	969				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1142 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1142 and insert the language after the enacting clause of S.F. No. 969, the first engrossment; further, delete the title of H.F. No. 1142 and insert the title of S.F. No. 969, the first engrossment.

And when so amended H.F. No. 1142 will be identical to S.F. No. 969, and further recommends that H.F. No. 1142 be given its second reading and substituted for S.F. No. 969, 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. 958 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.
958	945				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 958 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 958 and insert the language after the enacting clause of S.F. No. 945, the second engrossment; further, delete the title of H.F. No. 958 and insert the title of S.F. No. 945, the second engrossment.

And when so amended H.F. No. 958 will be identical to S.F. No. 945, and further recommends that H.F. No. 958 be given its second reading and substituted for S.F. No. 945, 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. 20 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.
				20	440

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 20 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 20 and insert the language after the enacting clause of S.F. No. 440, the second engrossment; further, delete the title of H.F. No. 20 and insert the title of S.F. No. 440, the second engrossment.

And when so amended H.F. No. 20 will be identical to S.F. No. 440, and further recommends that H.F. No. 20 be given its second reading and substituted for S.F. No. 440, 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. 202 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.
				202	173

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 202 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 202 and insert the language after the enacting clause of S.F. No. 173, the second engrossment; further, delete the title of H.F. No. 202 and insert the title of S.F. No. 173, the second engrossment.

And when so amended H.F. No. 202 will be identical to S.F. No. 173, and further recommends that H.F. No. 202 be given its second reading and substituted for S.F. No. 173, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1147 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.
1147	1168				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1147 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1147 and insert the language after the enacting clause of S.F. No. 1168, the first engrossment; further, delete the title of H.F. No. 1147 and insert the title of S.F. No. 1168, the first engrossment.

And when so amended H.F. No. 1147 will be identical to S.F. No. 1168, and further recommends that H.F. No. 1147 be given its second reading and substituted for S.F. No. 1168, 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. Bertram from the Committee on Veterans and General Legislation, to which was referred the following appointment as reported in the Journal for February 4, 1991:

**DEPARTMENT OF VETERANS AFFAIRS  
COMMISSIONER**

Bernard Melter

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 were referred the following appointments as reported in the Journal for April 4, 1991:

**WORKERS' COMPENSATION COURT OF APPEALS**

Debra A. Wilson  
Steven D. Wheeler

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

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

Mr. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for April 8, 1991:

**BUREAU OF MEDIATION SERVICES  
COMMISSIONER**

Peter E. Obermeyer

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. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 14, 1991:

**BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION**

William Jones  
Jonelle Moore  
Harry A. Sieben, Jr.

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Tom Martinson

**STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION**

Gary Mohrenweiser

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. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 18, 1991:

**BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION**

Steven Watson

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. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 7, 1991:

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Verne E. Long  
Robert D. Decker

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. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 24, 1991:

**STATE BOARD FOR COMMUNITY COLLEGES**

Robert M. Bigwood  
Stephen Lloyd Maxwell

**STATE BOARD OF TECHNICAL COLLEGES**

F. B. Daniel  
Billeigh H. Riser  
Robert L. Cahlander

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. 806, 716 and 819 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 1657, 1190, 118, 1142, 958, 20, 202 and 1147 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Samuelson moved that the name of Mr. Davis be added as a co-author to S.F. No. 115. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Davis be added as a co-author to S.F. No. 1265. The motion prevailed.

Messrs. Laidig; Benson, D.D.; Mrs. Pariseau, Ms. Johnston and Mr. Moe, R.D. introduced—

Senate Resolution No. 71: A Senate resolution congratulating Dr. Edward B. Kiolbasa on his retirement after 36 years of service as a physician and administrator.

Referred to the Committee on Rules and Administration.

Mr. Spear introduced—

Senate Resolution No. 72: A Senate resolution congratulating the Uniform Laws Conference on 100 years of service to the people of Minnesota and the United States.

Referred to the Committee on Rules and Administration.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 1:30 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 53 at 1:30 p.m.:

Messrs. Beckman, DeCramer, Mehrkens, Metzen and Langseth. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 836, 1238, 1402, 1340, 100, 109 and H.F. Nos. 1299, 459, 1125, 1189, 564, 499, 365, 1127, 696, which the committee recommends to pass.

S.F. No. 1182, which the committee recommends to pass, after the following motion:

Mr. Benson, D.D. moved to amend S.F. No. 1182 as follows:

Page 7, after line 25, insert:

“Sec. 14. [EXECUTIVE BRANCH AUTHORITY.]

*Legislators may not improve their personal appearance without the express approval of the governor.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger	Day	Morse	Reichgott	Waldorf
Benson, D.D.	Johnston	Neuville	Renneke	
Benson, J.E.	Knaak	Olson	Spear	
Berglin	Larson	Pariseau	Storm	
Bernhagen	McGowan	Piper	Traub	

Those who voted in the negative were:

Adkins	Dahl	Johnson, J.B.	Merriam	Ranum
Berg	Flynn	Kroening	Moe, R.D.	Rivenness
Bertram	Frederickson, D.R.	Lessard	Mondale	Solon
Chmielewski	Hottinger	Luther	Pappas	
Cohen	Johnson, D.J.	Marty	Price	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 202, which the committee recommends to pass with the following amendments offered by Messrs. Dahl, Luther and Mrs. Benson, J.E.:

Mr. Dahl moved to amend S.F. No. 202 as follows:

Page 6, line 11, after “contractors” insert “and report to the legislature

by January 31, 1992, with the recommended types of specialty groups and the licensing procedures”

Page 8, line 32, delete “category two”

Page 9, line 1, delete “category two”

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 202 as follows:

Page 12, line 7, delete “325.92” and insert “326.92”

Page 12, line 19, after “unlicensed” insert “or licensed”

Page 13, line 2, before the period, insert “and all contracts entered into” and after “The” insert “annual”

Page 13, line 6, delete everything after the first “bond”

Page 13, line 7, delete “force”

Page 13, line 13, delete “and not to exceed \$50,000”

The motion prevailed. So the amendment was adopted.

Mrs. Benson, J.E. moved to amend S.F. No. 202 as follows:

Page 6, line 9, delete “determine” and insert “recommend”

Page 7, line 21, delete “commissioner” and insert “legislature”

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 202 as follows:

Page 5, after line 16, insert:

“Subd. 6. [MUNICIPALITY.] “Municipality” means a home rule charter or statutory city, county, or town meeting the requirements of section 368.01, subdivision 1.”

Renumber the subdivisions in sequence

Page 6, line 6, after the comma, insert “a municipality may require by ordinance that”

Page 6, line 9, after the period, insert “Sections 1 to 22 apply within a municipality that adopts an ordinance requiring licensure of a residential building contractor, remodeler, or specialty contractor. A person may also elect to be licensed as provided under sections 1 to 24.”

Page 10, line 32, before “A” insert “Except as provided in section 8, subdivision 1.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hottinger	Lessard	Riveness
Berg	Day	Johnson, D.E.	Mondale	Sams
Bertram	Flynn	Johnson, J.B.	Morse	Vickerman
Chmielewski	Frederickson, D.R.	Larson	Neuville	

Those who voted in the negative were:

Benson, J.E.	Hughes	Laidig	Novak	Solon
Cohen	Johnston	Luther	Olson	Storm
Dahl	Kelly	Marty	Pappas	Traub
Frank	Knaak	McGowan	Pariseau	
Halberg	Kroening	Merriam	Ranum	

The motion did not prevail. So the amendment was not adopted.

The question was taken on the recommendation to pass S.F. No. 202.

The roll was called, and there were yeas 26 and nays 12, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Frank	Larson	Novak	Storm
Cohen	Hottinger	Luther	Olson	Traub
Dahl	Johnston	Marty	Pariseau	
Davis	Knaak	McGowan	Ranum	
Finn	Kroening	Merriam	Riveness	
Flynn	Laidig	Mondale	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, J.B.	Morse	Sams
Berg	Day	Lessard	Neuville	Vickerman
Bertram	Johnson, D.E.			

The motion prevailed. So S.F. No. 202 was recommended to pass.

S.F. No. 371, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 6, after line 32, insert:

“Sec. 9. 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.”

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert “amending restrictions on felony prosecutions for taking, detaining, or failing to return a child;”

Page 1, line 11, delete the second “and”

Page 1, line 12, before the semicolon, insert “; and 609.26, subdivision

5"

The motion prevailed. So the amendment was adopted.

S.F. No. 256, which the committee recommends to pass with the following amendments offered by Messrs. Bernhagen, Merriam and Dahl:

Mr. Bernhagen moved to amend S.F. No. 256 as follows:

Page 23, line 30, delete "\$2" and insert "\$5"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen then moved to amend S.F. No. 256 as follows:

Page 20, line 30, delete everything after the period

Page 20, delete lines 31 to 34

Page 20, line 35, delete everything before "Subdivision"

Page 20, line 36, delete "subdivision" and insert "paragraph"

Page 20, after line 36, insert:

*"(b) A county may by ordinance impose civil and criminal penalties for delivery of mixed municipal solid waste to a processing or disposal facility in the county that is not a facility designated to receive the waste under a designation ordinance adopted by another county under this section.*

*(c) A civil penalty adopted under paragraph (a) or (b) may not exceed a fine of \$10,000 per day of violation plus the cost of mitigating any damages caused by the violation and the attorney fees and court costs incurred by the county to enforce the ordinance."*

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 256 as follows:

Pages 42 to 45, delete section 64

Page 58, lines 3 and 4, delete "65, 67, 68, 69, 71, 73, 74, 75, 76, 78, 79, 83, 84, 85, and 87" and insert "66, 67, 68, 70, 72, 73, 74, 75, 77, 78, 82, 83, 84, and 86"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 31, delete "1a,"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 256 as follows:

Page 57, after line 29, insert:

"Sec. 87. [AIR QUALITY ADVISORY TASK FORCE.]

*Subdivision 1. [CREATION.] (a) The air quality advisory task force consists of 23 members. The speaker of the house of representatives and the majority leader of the senate shall each appoint four members from their respective bodies. The commissioner of the pollution control agency shall serve as the chair of the task force. The chair shall appoint the 14 other members as follows:*

*(1) a representative of a major industrial facility holding an air emission permit issued by the pollution control agency;*

*(2) a representative of a mining facility holding an air emission permit issued by the pollution control agency;*

*(3) a representative of a petroleum refining facility holding an air emission permit issued by the pollution control agency;*

*(4) a representative of a manufacturing facility holding an air emission permit issued by the pollution control agency;*

*(5) a representative of a fossil fuel combustion facility holding an air emission permit issued by the pollution control agency;*

*(6) three representatives of environmental and natural resource groups;*

*(7) three members of the public;*

*(8) the commissioner of the department of health or the commissioner's designee;*

*(9) the commissioner of the department of transportation or the commissioner's designee; and*

*(10) the commissioner of the department of natural resources or the commissioner's designee.*

*(b) The task force terminates on September 1, 1992.*

*Subd. 2. [DUTIES.] (a) The task force shall conduct a comprehensive review of the state's air quality. In conducting the review the task force shall:*

*(1) identify the air pollution issues of importance to the state; the past, present, and projected changes in pollution levels by source category; and the results of existing pollution prevention and control programs; and*

*(2) examine all federal and state laws and regulations related to the identified air quality issues, including the state's strategies to implement the federal Clean Air Act, the Minnesota acid deposition control act, the Minnesota toxic pollution prevention act, and other relevant laws and regulations, and resources required to implement these programs.*

*(b) The task force shall report to the legislature on the results of the review required in paragraph (a) and shall include recommendations on how best to address the identified air quality issues, including ways to improve implementation of existing programs. The recommendations must be based on sound scientific principles and cost-effective approaches to pollution prevention and reduction.*

*(c) The task force shall submit an interim report to the legislature by January 31, 1992, and a final report by August 31, 1992."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 820, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 1, delete lines 24 to 26 and insert:

*"(d) The society may enter into contracts without regard to section 16B.06 except that all contracts shall be reviewed by the attorney general or a delegate as to form and execution and provided that the attorney general*

*may sue to avoid the obligation of the society to pay under a contract or to recover payments made if services performed under the contract are so unsatisfactory, incomplete, or inconsistent with the price that payment would constitute unjust enrichment."*

The motion prevailed. So the amendment was adopted.

H.F. No. 289, which the committee recommends to pass with the following amendments offered by Messrs. Larson and Luther:

Mr. Larson moved to amend H.F. No. 289, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1117.)

Page 1, line 20, delete "75" and insert "65"

Page 1, line 22, delete "65" and insert "55"

Page 1, after line 23, insert:

*"(c) An insurer may only issue or renew a policy on a guaranteed renewable or noncancelable basis."*

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 289, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1117.)

Page 1, line 9, delete "(a)" and insert "Subdivision 1. [APPLICATION.]" and after "policies" insert ", certificates, and other evidence of coverage"

Page 1, line 12, delete everything after "basis" and insert "offered"

Page 1, line 13, delete "1991,"

Page 1, line 14, delete "(b)" and insert "Subd. 2. [LOSS RATIOS.]"

Page 1, after line 23, insert:

*"Subd. 3. [COMPLIANCE.] Noncomprehensive policies, certificates, and other evidence of coverage subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to Medicare supplement policies as specified in section 62A.36, subdivisions 1a, 1b, and 2.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective for policies, certificates, and other evidence of coverage issued or offered to a Minnesota resident on or after August 1, 1991. The first supplement to the annual statement required to be filed under section 1, subdivision 3, must be filed with the annual statement required to be submitted on or after January 1, 1993."*

Amend the title as follows:

Page 1, line 3, after "for" insert "and imposing requirements on"

The motion prevailed. So the amendment was adopted.

H.F. No. 786, which the committee recommends to pass with the following amendments offered by Mr. Luther:

Amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 6, line 8, before "*Section*" insert "*(a) Except as provided in paragraph (b),*"

Page 6, after line 17, insert:

*"(b) Section 1, subdivision 5, is effective the day following final enactment and applies to proceedings pending on or commenced on or after that date."*

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 4, line 30, strike "common law"

Page 4, line 31, delete "*all*" and insert "*the*" and after "*claims*" insert "*of all parties*"

Page 4, line 33, delete "*a*"

Page 5, line 4, before the period, insert "*unless the arbitrator determines a more equitable distribution*"

Page 5, line 13, delete "*for its breach*"

Page 5, line 26, strike everything after "(c)"

Page 5, line 27, strike "arbitration act" and delete the new language and strike the comma

Page 6, line 12, after "*agreement*" insert "*has expired or*"

Page 6, line 13, after "*relationship*" insert "*has continued or*"

Page 6, line 16, after "*consent*" insert "*or acquiescence*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 3, lines 11 and 34, reinstate the stricken "90" and delete "75"

Page 3, line 14, reinstate the stricken "60" and delete "45"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kroening	Mondale	Reichgott
Chmielewski	Frederickson, D.J.	Luther	Novak	Riveness
Cohen	Hottinger	Marty	Piper	Sams
Dahl	Hughes	Metzen	Price	Solon
Davis	Johnson, J.B.	Moe, R.D.	Ranum	Waldorf

Those who voted in the negative were:

Adkins	Bernhagen	Johnson, D.E.	McGowan	Traub
Belanger	Bertram	Johnston	Neuville	Vickerman
Benson, D.D.	Brataas	Knaak	Pariseau	
Benson, J.E.	Day	Laidig	Storm	
Berg	Frank	Larson	Stumpf	



The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Pages 1 to 6, delete sections 1 and 2 and insert:

“Section 1. [REPEALER.]

*Minnesota Statutes 1990, section 325E.37, is repealed.*”

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Day	Knaak	Neuville
Benson, D.D.	Bertram	Johnson, D.E.	Laidig	Pariseau
Benson, J.E.	Brataas	Johnston	McGowan	Storm
Berg				

Those who voted in the negative were:

Adkins	Finn	Marty	Piper	Stumpf
Beckman	Frank	Merriam	Price	Traub
Chmielewski	Hottinger	Metzen	Ranum	Vickerman
Cohen	Hughes	Moe, R.D.	Reichgott	Waldorf
Dahl	Johnson, J.B.	Mondale	Riveness	
Davis	Kelly	Morse	Sams	
DeCramer	Luther	Pappas	Solon	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 606, which the committee recommends to pass with the following amendment offered by Ms. Johnston:

Amend H.F. No. 606, the unofficial engrossment, as follows:

Page 2, line 20, reinstate the stricken “final” and delete “*preliminary*”

Page 9, line 27, delete “*and*” and insert a comma and after “10” insert “, and 11”

The motion prevailed. So the amendment was adopted.

S.F. No. 740, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 4, after line 32, insert:

“Sec. 7. Minnesota Statutes 1990, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and

outstanding under this section at any time may not exceed ~~\$150,000,000~~ \$250,000,000.”

Page 4, line 34, delete “*This act takes effect*” and insert “*Sections 1 to 7 are effective*” and delete “*and*” and insert a period

Page 4, line 35, delete “*applies*” and insert “*Sections 1 to 6 apply*” and delete “*it*” and insert “*this act*”

Renumber the sections in sequence and correct the internal references  
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 205, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 205, the unofficial engrossment, as follows:

Page 1, after line 20, insert:

*“(b) Refusing to insure or refusing to continue to insure the life of a member of a reserve component of the armed forces of the United States, or the national guard due to that person’s status as a member, or duty assignment while a member of any of these military organizations, constitutes an unfair method of competition and an unfair and deceptive act or practice unless the individual has received an order for active duty.”*

Page 1, line 21, delete “(b)” and insert “(c)”

The motion prevailed. So the amendment was adopted.

H.F. No. 1050, which the committee recommends to pass with the following amendments offered by Messrs. Frank and Knaak:

Mr. Frank moved to amend H.F. No. 1050, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1008.)

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1990, section 16B.37, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER’S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. *For purposes of this section, “state agency” includes the metropolitan council established by section 473.123 and a metropolitan agency as defined in section 473.121, subdivision 5a.* A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year.”

Page 1, line 10, delete “*chairs*” and insert “*speaker*”

Page 1, line 11, delete “*governmental operations committees in the*”

Page 1, line 12, after “*and*” insert “*the president of*”

Page 2, line 6, delete “*Section*” and insert “*Sections*” and delete “*is*”

and insert "*and 2 are*"

Renumber the sections in sequence

Amend the title as follows:

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

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1050, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1008.)

Page 1, line 20, after the period, insert "*No reorganization order is invalidated by failure to meet deadlines imposed under this subdivision.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1197, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 1197, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1118.)

Page 1, line 25, after the period, insert "*This subdivision does not apply to a franchisee who transfers the franchise to a business corporation, provided that the franchisee retains a controlling interest in the corporation.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

### **REPORTS OF COMMITTEES**

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

Mr. Merriam from the Committee on Finance, to which was re-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 23, after line 6, insert:

“Sec. 32. [APPROPRIATION.]

*\$234,000 is appropriated from the general fund to the racing commission to license telercing facilities. \$88,000 is for fiscal year 1992 and \$146,000 is for fiscal year 1993. The approved complement of the racing commission is increased by two positions in fiscal year 1992 and one additional position in fiscal year 1993.”*

Page 23, line 11, delete “32” and insert “31 and 33”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “appropriating money;”

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

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

S.F. No. 257: A bill for an act relating to waste management expenditures; 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, section 115A.15, subdivision 6, and by adding a subdivision.

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

Page 3, line 2, delete “\$170,000” and insert “\$140,000” and delete “\$205,000” and insert “\$175,000”

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

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

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.

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

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

H.F. No. 381: A bill for an act relating to education; authorizing construction at Dakota County Technical College.

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

Page 1, after line 10, insert:

“Sec. 2. [NORTHEAST METRO TECHNICAL COLLEGE.]

*Intermediate school district No. 916, Northeast Metro Technical College, may spend up to \$325,500 to construct a media center and to make electrical and mechanical renovations at Northeast Metro Technical College. The expenditure must be made entirely from local money.*

**Sec. 3. [MOORHEAD TECHNICAL COLLEGE.]**

*Independent school district No. 152, Moorhead Technical College, may spend up to \$350,000 to construct classroom and related space for farm business, small business, and other management programs at Moorhead Technical College. The expenditure must be made entirely from local money."*

Page 1, line 12, delete "Section 1 is" and insert "Sections 1 to 3 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "County" insert ", Northeast Metro, and Moorhead" and delete "College" and insert "Colleges"

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

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

H. F. No. 961: A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

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 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.

Sec. 2. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37, Laws 1989, chapter 350, article 16, section 8, and Laws 1990, chapter 525, section 1, is amended to read:

**Sec. 18. [REPEALER.]**

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1992~~ 1993.

**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.*

**Sec. 4. [APPROPRIATION.]**

*\$200,000 is appropriated from the general fund to the Minnesota extension*

*service for the fiscal year ending June 30, 1992, for operation of the farmer-lender mediation program.*

*This appropriation may be used only for mediation related to adjusting farm indebtedness under Minnesota Statutes, chapter 583.*

Sec. 5. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to agriculture; extending the agricultural data collection task force and the farmer-lender mediation act; appropriating money; amending Laws 1985, chapter 19, section 6, subdivision 6, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended."

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

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

H.F. No. 702: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; 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, delete lines 17 and 18

Page 1, line 22, delete "*within the department of agriculture*"

Page 1, line 28, after "commerce," insert "*trade and economic development,*"

Page 1, line 29, delete "*seven*" and insert "*five*"

Page 2, delete sections 2 to 4

Page 2, lines 35 and 36, delete "*6 to 17*" and insert "*3 to 14*"

Page 6, line 14, after "*rules*" insert "*and under federal tax law governing qualified small issue bonds*"

Page 6, line 20, after "*authority*" insert "*and under federal tax law governing qualified small issue bonds*"

Page 12, delete lines 34 to 36

Page 13, delete lines 1 to 14

Page 13, line 15, delete "5" and insert "4"

Page 13, line 23, delete "6" and insert "5"

Page 15, line 28, delete "*Subdivision 1. [DISCLOSURE; PROHIBITIONS.]*"

Page 16, delete lines 1 to 10

Page 16, lines 11 and 12, delete “; FUND CREATED”

Page 16, delete lines 13 to 21

Page 16, line 22, delete “(b)”

Page 16, lines 28 and 29, delete “*rural finance authority administrative fund created in paragraph (a)*” and insert “*state treasury and credited to the general fund*”

Page 16, line 31, delete “*efficient*”

Page 16, line 32, delete “*The rules need not be adopted*”

Page 16, delete line 33

Page 17, lines 6 and 27, delete “6 to 17” and insert “3 to 14”

Page 18, line 8, delete “6 to 17” and insert “3 to 14”

Page 25, line 28, delete “\$150,000” and insert “\$300,000”

Page 25, line 29, delete “*rural finance authority administrative fund*” and insert “*commissioner of finance*”

Page 25, line 30, delete “*This*” and insert “*\$150,000 is for fiscal year 1992 and \$150,000 is for fiscal year 1993.*”

Page 25, delete lines 31 to 33

Page 25, line 35, delete “*agriculture*” and insert “*finance*” and delete “*special revenue*” and delete “*One*”

Page 25, delete line 36

Page 26, delete lines 1 to 29

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 8, delete everything before “appropriating”

Page 1, line 10, delete “subdivisions 1, 3, 5, and 6” and insert “sub-division 1”

Page 1, line 13, delete everything after the second semicolon

Page 1, line 14, delete everything before “proposing”

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. 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; appropriating money.

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

Page 4, line 20, after the second comma, insert “86A.05,”

Page 4, after line 30, insert:

“Sec. 3. [NON-PARK USE OF LAND IN FORT SNELLING STATE PARK; STUDY OF CERTAIN LANDS WITHIN THE PARK.]

*(a) Notwithstanding Minnesota Statutes, chapters 85 and 86A, the commissioner of natural resources may authorize the United States Army to use, occupy, and maintain without charge by the state, but at no expense to the commissioner, the portion of Fort Snelling state park that is designated in the official records and drawings of the former Veterans Administration Hospital Reserve as area “J,” and being that part of the property conveyed to the state of Minnesota by the United States of America on August 17, 1971, lying east of Taylor avenue, which contains 35.38 acres, more or less. The use, occupancy, and maintenance may be conditioned upon terms prescribed by the commissioner.*

*(b) The commissioner of natural resources shall examine whether the continued inclusion in Fort Snelling state park of the property described in paragraph (a), together with that portion of land conveyed in the same deed that lies west of Taylor avenue and is commonly referred to as officers row, which contains 10.5 acres, more or less, is appropriate. The examination must include recommendations on the appropriate use of the area and an analysis of the options available to the state for use of the area under the 1971 conveyance agreement. The commissioner shall report the findings to the legislature by January 15, 1992.”*

Page 4, line 31, delete “APPROPRIATION” and insert “GRANT AUTHORITY”

Page 4, line 32, delete “\$ . . . . . is appropriated from the general fund to”

Page 4, line 33, delete “for” and insert “may make”

Page 4, line 35, after “grant” insert “must be made from money appropriated to the commissioner for acquisition and enhancement of state parks and”

Page 5, line 3, delete “3” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the first “of” and insert “land in Interstate and Fort Snelling state parks;”

Page 1, line 5, delete the semicolon

Page 1, line 6, delete “appropriating money”

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

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

S.F. No. 506: A bill for an act relating to lawful gambling; lotteries; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; 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 requirements relating to posting of pull-tab winners; 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; 290.05, subdivision 3; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, 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; 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.

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

Page 2, line 10, after "*tickets*" insert "*, in a manner approved by the commissioner of human services,*"

Page 2, line 13, delete everything after "245.98" and insert a period

Page 2, delete line 14

Page 2, line 20, delete "33" and insert "34"

Page 3, line 11, delete "*charitable contributions*" and insert "*lawful purpose expenditures under chapter 349*"

Page 22, line 35, after "*tickets*" insert "*, in a manner approved by the commissioner of human services,*"

Page 23, line 2, delete "*in a manner approved by the commissioner*"

Page 25, line 5, after "*holiday*" insert "*by use of a religious theme or symbol*"

Page 25, after line 13, insert:

"Sec. 33. Minnesota Statutes 1990, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in any fiscal year amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall

disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, ~~1992~~ 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the division is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.”

Page 27, line 23, delete “4” and insert “5”

Page 28, line 20, delete “34 to 37” and insert “35 to 38”

Page 29, after line 13, insert:

“Sec. 43. [TASK FORCE ON COMPULSIVE GAMBLING ASSESSMENTS.]

*The commissioner of human services, in consultation with the commissioner of corrections, shall appoint a task force to recommend methods of implementing the compulsive gambling assessments required by sections 2 and 34. The task force shall consist of members appointed to include representatives of state and local human services, court services, and corrections and the state advisory commission on compulsive gambling treatment programs. By February 1, 1992, the commissioner of human services shall report the findings of the task force to the chairs of the senate committees on judiciary, health and human services, and gaming regulation and the chairs of the house of representatives committees on judiciary, health and human services, and general legislation, veterans, and gaming.”*

Page 29, line 15, delete “\$767,000” and insert “\$667,000” and delete “\$756,000” and insert “\$656,000”

Page 29, line 20, delete “33” and insert “34”

Page 29, line 21, delete “\$ . . . . .” and insert “\$91,500”

Page 29, line 23, delete “\$375,000” and insert “\$275,000”

Page 29, line 24, delete “\$375,000” and insert “\$275,000”

Page 29, line 25, delete the first “fund” and insert “operations account”

Page 29, line 27, delete everything after the period

Page 29, delete lines 28 to 35

Page 30, line 2, delete “349.212, subdivision 6;”

Page 30, line 5, delete “32, and 43” and insert “33, 43, and 45”

Page 30, line 9, delete “2.” and delete “33, and 41” and insert “and 42”

Page 30, line 12, after the period, insert “Section 39 is effective August 1, 1991, and applies to crimes committed on or after that date.”

Page 30, line 15, delete “34 to 37, and 39” and insert “and 40”

Page 30, line 16, after the period, insert “Sections 35 to 38 are effective January 1, 1992, and apply to crimes committed on or after that date.”

Page 30, after line 17, insert:

“Sections 2 and 34 are effective July 1, 1993.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 17

Page 1, line 18, delete "religious holiday" and insert "changing requirements relating to lottery advertising"

Page 1, line 20, after "fees;" insert "establishing a task force on compulsive gambling assessments;"

Page 1, line 32, after "2;" insert "349A.10, subdivision 3;"

Page 1, line 38, delete "349.212, subdivision 6;"

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. 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; 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.

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

Page 2, line 18, delete the new language

Page 3, line 21, delete everything after "2"

Page 3, delete line 22

Page 3, line 23, delete everything before the period

Page 3, line 25, delete everything after "but"

Page 3, delete line 26

Page 3, line 27, delete "lesser of" and insert "the amount required by the commissioner under this subdivision may not exceed"

Page 3, line 29, after the semicolon, insert "or"

Page 3, line 32, delete "; or" and insert a period

Page 3, delete lines 33 and 34 and insert:

*“Load management may be used to meet up to a third of the requirements for energy conservation improvements under this section if it delays the need to construct new electric power generating facilities.”*

Page 4, line 3, after the period, insert *“To fulfill part of the spending requirement under this subdivision, a utility may contribute to the account established by subdivision 2a. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year.”*

Page 4, delete lines 4 to 36

Page 5, delete lines 1 to 15 and insert:

*“Subd. 1b. [CONSERVATION IMPROVEMENTS; COOPERATIVES AND MUNICIPALITIES.] (a) This subdivision applies to:*

*(1) a cooperative electric association that generates and transmits electricity to associations and others that provide electricity at retail, including a cooperative electric association not located in this state that serves associations or others in this state;*

*(2) a municipality that provides electric service to retail customers and that purchases 85 percent or less of its electricity from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision; and*

*(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.*

*(b) A cooperative electric association or municipality governed by this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amount, based on its gross operating revenues in the previous year:*

*(1) for a municipality, .5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity; or*

*(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in this state.*

*(c) A municipality or cooperative electric association governed by this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric service. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. By February 1 of each year, each municipality or association shall report to the commissioner its energy conservation improvement spending and investment with a brief analysis of its effectiveness in reducing consumption of electricity or natural gas. The commissioner shall review each report and make recommendations, when appropriate, to the municipality or association to increase the effectiveness of its conservation improvement activities.*

*(d) As part of its spending for conservation improvements, a municipality or association may contribute to the energy and conservation account established by subdivision 2a. Any amount contributed must be remitted to the*

*commissioner of revenue by February 1 of each year."*

Page 7, line 12, delete "*general*" and insert "*special revenue*" and after the second "*account*" insert "*, other than money directly appropriated for administrative expenses,*"

Page 7, line 13, delete "*department*" and insert "*commissioner*"

Page 7, line 15, after "*in*" insert "*geographic regions and program*"

Page 7, line 16, delete everything after the period

Page 7, delete line 17

Page 7, line 18, delete "*programs.*"

Page 8, line 6, delete everything after "*utility*"

Page 8, line 7, delete everything before the comma and insert "*furnishing gas service is spending and investing .5 percent, or a utility furnishing electric service is spending and investing 1.5 percent, of its Minnesota jurisdictional gross operating revenues for energy conservation improvements*"

Page 10, after line 31, insert:

"Sec. 4. [TRANSITIONAL SPENDING REQUIREMENTS.]

*Notwithstanding section 2, subdivision 1b, a municipality or cooperative electric association governed by that subdivision shall increase its spending and investments in energy conservation improvements in accordance with this section. The municipality or association shall:*

*(1) subtract the amount it spent and invested in energy conservation improvements in 1991 from its 1991 gross operating revenues; and*

*(2) in each of the four years, beginning in 1992, increase its spending on energy conservation improvements by one fourth of the remainder computed under clause (1).*

*After December 31, 1995, the municipality or association shall spend the amount required by, and determined under, section 2, subdivision 1b.*

Sec. 5. [APPROPRIATION.]

*\$100,000 for fiscal year 1992 and \$100,000 for fiscal year 1993 is appropriated to the commissioner of public service from the low-income energy and conservation account in the special revenue fund for costs associated with administering section 2, subdivision 2a. The approved complement of the department is increased by two."*

Pages 16 to 18, delete sections 1 to 3

Page 18, line 21, delete "*shall*" and insert "*should*"

Pages 19 and 20, delete section 6

Page 20, line 30, delete "*4*" and insert "*1*"

Renumber the sections of article 5 in sequence

Page 23, after line 6, insert:

"Sec. 3. [APPROPRIATION.]

*\$55,000 is appropriated from the general fund to the commissioner of public service to cover costs associated with the studies required by sections*

*1 and 2."*

Amend the title as follows:

Page 1, line 22, delete "16A.28,"

Page 1, line 23, delete the first "subdivision 3;"

Page 1, line 27, delete everything after "subdivision" and insert a period

Page 1, delete lines 28 and 29

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. 842: A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; clarifying the authority of political subdivisions under delegation agreements; expanding county eligibility for well sealing assistance; amending Minnesota Statutes 1990, sections 1031.005, subdivisions 2, 22, and by adding a subdivision; 1031.101, subdivisions 2, 4, 5, and 6; 1031.111, subdivisions 2a, 2b, 3, and by adding a subdivision; 1031.205, subdivisions 1, 3, 4, 7, 8, and 9; 1031.208, subdivision 2; 1031.231; 1031.235; 1031.301, subdivision 1, and by adding a subdivision; 1031.311, subdivision 3; 1031.331, subdivision 2; 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 13, line 4, delete "on" and insert "for"

Page 13, line 5, before the period, insert "for filing"

Page 13, lines 8 and 9, delete the new language

Page 13, line 10, delete everything before the period and after the period, insert "*By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health \$4 of the fee for each well disclosure certificate received during the quarter.*"

Page 17, after line 11, insert:

"Sec. 29. Minnesota Statutes 1990, section 1031.531, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license *for constructing, repairing, and sealing drive point wells or dug wells, sealing wells, or constructing, repairing, and sealing dewatering wells*, the applicant must submit a corporate surety bond for \$10,000 approved by the commissioner. *As a condition of being issued a limited well contractor's license for installing or repairing well screens or pitless units or pitless adaptors and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing, or installing well pumps or pumping equipment, the applicant must submit a corporate surety bond for \$2,000 approved by the commissioner. The ~~bond~~ bonds required in this*

*paragraph* must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The ~~bond is~~ *bonds are* in lieu of other license bonds required by a political subdivision of the state.

(b) From proceeds of ~~the bond~~ *a bond required in paragraph (a)*, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "of" insert ", and other activities relating to,"

Page 1, line 16, delete "8" and insert "5, 8,"

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. 720: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a family stabilization demonstration project, a lease-purchase housing program, a blighted property acquisition program, and a housing capital reserve program; appropriating money; amending Minnesota Statutes 1990, sections 462A.03, by adding a subdivision; 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:

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.*

*(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.*

*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's 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, ~~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.~~

Sec. 2. 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 under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.*

Sec. 3. 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. 4. 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. 5. 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. 6. 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. 7. [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. 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. 3. 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. 4. 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 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. 5. 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.

## 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 469.002, 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.

Sec. 2. 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. 3. 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. 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.*

Sec. 5. 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. 6. 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. 7. 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. 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 Minnesota Statutes, 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 273.1399, 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. 2. 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 ~~12~~ 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 *construction of new owner-occupied single-family dwellings*.

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for districts certified after April 30, 1990. Section 2 is effective the day following final enactment.*

## ARTICLE 8

## MINNESOTA HOUSING FINANCE AGENCY

Section 1. Minnesota Statutes 1990, section 268.39, is amended to read:  
268.39 [LIFE SKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of life skills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 462A.05, subdivision 29 20. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 462A.05, subdivision 29 20.

A life skills and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 462A.05, subdivision 29 20. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skills and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 462A.05, subdivision 29 20.

The application for a grant under this section must include a plan that must provide for:

- (1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and
- (2) tenant selection and rental policies that ensure rental of units to people who are homeless if applicable.

The applicant must provide a proposed occupancy contract if applicable, the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 2. Minnesota Statutes 1990, section 462A.03, subdivision 16, is amended to read:

Subd. 16. "~~Mentally ill person~~" ~~shall have the meaning prescribed by section 253B.02, subdivision 13~~ means a person with a mental illness, an adult with an acute mental illness, or a person with a serious and persistent mental illness, as prescribed by section 245.462, subdivision 20.

Sec. 3. Minnesota Statutes 1990, section 462A.05, subdivision 20, is amended to read:

Subd. 20. [SPECIAL NEEDS HOUSING FOR HOMELESS PERSONS.]  
(a) The agency may make loans or grants to ~~for profit, limited dividend, or nonprofit sponsors, as defined by the agency,~~ eligible mortgagors for the acquisition, rehabilitation, and construction of residential housing to be used ~~to provide~~ for the following purposes:

- (1) temporary or transitional housing ~~to low- and moderate-income~~ for low-income persons and families having an immediate need for temporary

or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause as defined by the agency. *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;*

*(2) housing to be used by low-income persons living alone; and*

*(3) housing for homeless individuals and families.*

*(b) Housing under this subdivision must be for low-income families and individuals.*

*(c) Loans or grants pursuant to under this subdivision shall must not be used for residential care facilities or, for facilities that provide housing available for occupancy on less than a 24-hour continuous basis, or for any residential housing that requires occupants to accept board as well as lodging. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and the appropriate security should repayment be required.*

*(d) Loans or grants under this subdivision must not exceed 50 percent of the development costs. Donated property may be used to satisfy the match requirement.*

*(e) All occupants of permanent housing financed under this subdivision must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause.*

*(f) Priority must be given to viable proposals with the total lowest cost per person served.*

*(g) The selection criteria for the program must include the following: the extent to which proposals use donated, leased, abandoned, or empty dwellings owned by a public entity or property being sold by the Resolution Trust Corporation or the Department of Housing and Urban Development; and the extent to which applicants consulted with advocates for the homeless, representatives from neighborhood groups, and representatives from labor organizations in preparing the proposal.*

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.*

Sec. 5. Minnesota Statutes 1990, section 462A.21, subdivision 4k, is amended to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision ~~28~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 6. Minnesota Statutes 1990, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, ~~subdivisions 20, 28, and 29~~ subdivision 20, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

Sec. 7. Minnesota Statutes 1990, section 462A.21, subdivision 14, is amended to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 462A.05, subdivision ~~29~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 8. Minnesota Statutes 1990, section 462A.22, subdivision 9, is amended to read:

Subd. 9. [BIENNIAL REPORT.] The agency shall also submit a biennial report of its activities, ~~projected activities,~~ and receipts, and ~~expenditures~~ a plan for the next biennium, to the governor and the legislature on or before ~~January~~ February 15 in each odd-numbered year. The report shall include the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality.

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

Sec. 9. Minnesota Statutes 1990, section 474A.048, subdivision 2, is



462A.05, subdivision 24.

\$990,000 the first year and \$990,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$2,225,000 the first year and \$2,225,000 the second year are for home ownership, home improvement, and multifamily bond leveraging interest rate write-downs under Minnesota Statutes, sections 462A.21, subdivisions 4b and 8a.

\$1,885,000 the first year and \$1,885,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for *either* a demonstration program to make off-reservation loans in combination with bond proceeds from the agency *or other mortgage financing approved by the agency, or a home improvement loan program approved by the agency. Home improvement loans may be made without regard to household income.*

\$235,000 the first year and \$235,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$3,716,700 the first year and \$3,716,700 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, sections 462A.05, subdivisions 14a and 15a.

\$500,000 is appropriated to the housing development fund created in section 462A.20 for grants for residential housing for low income persons living alone. The agency may pay the costs and expenses for the development and operation of this program out of this appropriation.

\$75,000 the first year and \$75,000 the second year are for temporary housing programs under Minnesota Statutes, section 462A.05, subdivision 20.

Sec. 11. Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended by Laws 1990, chapter 429, section 9, is amended to read:

Subdivision 1. Total

Appropriation	12,583,000	12,584,000
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Approved Complement - 134

Spending limit on cost of general administration of agency programs:

1990	1991
\$7,130,000	\$7,560,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$225,000 the first year and \$225,000 the second year are for housing programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

\$2,115,000 the first year and \$2,115,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,887,000 the first year and \$1,887,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for *either* a demonstration program to make off-reservation loans in combination with bond proceeds from *the agency* or other mortgage financing approved by the agency, *or a home improvement loan program approved by the agency. Home improvement loans may be made without regard to household income.*

\$233,000 the first year and \$233,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$4,842,000 the first year and \$4,842,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$569,000 the first year and \$569,000 the second year are for temporary housing programs under Minnesota Statutes, sections 462A.05, subdivision 20; and 462A.21.

Notwithstanding any law to the contrary, in the event that the housing finance agency assumes servicing responsibility for its home improvement loans, energy loans, and rehabilitation loans, the agency may apply for an increase in its complement and administrative cost ceiling through the regular legislative advisory commission process.

Sec. 12. [REPEALER.]

*Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29, are repealed.*

Sec. 13. [EFFECTIVE DATE.]

*Sections 3 and 4 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to 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; 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; 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; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, 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, 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, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29."

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. 3: 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; creating a cost-share program 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; requiring a study of farmland valuation; requiring the state to apply for authority to administer the permit program under section 404 of the federal Clean Water Act; appropriating money; amending Minnesota Statutes 1990, sections 84.085; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.141; 103G.221; 103G.225; 103G.231; 103G.235; 272.02, subdivision 1; 282.018, subdivision 2; and 645.44, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; 103G; and 116P.

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

Page 2, line 17, delete "IDENTIFICATION" and insert "CLASSIFICATION"

Page 6, delete lines 8 to 36

Page 7, delete lines 1 to 34 and insert:

"Sec. 4. [103G.2363] [EFFECT OF WETLAND STATUS.]

*The wetland status of an area:"*

Page 7, line 36, delete "*wetlands*" and insert "*wetland*"

Page 8, lines 2 and 7, delete "*designated wetlands*" and insert "*wetland*"

Page 8, delete line 8 and insert:

"Sec. 5. [103G.2364] [PROPERTY OWNER'S USE OF WETLANDS.]

(a) A"

Page 8, delete line 18 and insert:

"Sec. 6. [103G.2365] [CONTROL OF NOXIOUS WEEDS.]

*Noxious weeds, as"*

Page 8, delete line 21 and insert:

"Sec. 7. [103G.2366] [PUBLIC VALUE.]

(a) *The board of water and soil"*

Page 9, line 15, delete "*commissioner*" and insert "*board*" and delete the second "*board*" and insert "*commissioner*"

Page 9, delete line 20 and insert:

"Sec. 8. [103G.2367] [CLASSIFICATION OF WETLANDS.]

(a) *The board of*"

Page 10, delete line 11 and insert:

"Sec. 9. [103G.2368] [RULEMAKING.]

*In adopting the rules required"*

Page 10, line 12, delete "*subdivisions 6 and 7*" and insert "*sections 7 and 8*"

Page 10, line 13, delete "*subdivision 1, paragraph (b),*" and insert "*section 10*"

Page 10, after line 19, insert:

"Sec. 10. [AVAILABILITY OF NATIONAL WETLANDS INVENTORY MAPS.]

*By February 1, 1993, the commissioner of natural resources shall file with each soil and water conservation district copies of the national wetlands inventory maps covering the district and shall publish notice of the availability of the maps 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 NATIONAL WETLANDS  
INVENTORY MAPS**

*National wetlands inventory maps for (name of county) county are available from the Minnesota Department of Natural Resources. The national wetlands inventory maps are for general informational use only, and should not be relied upon in determining the exact location or boundaries of wetlands. 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 ARE SUBJECT TO REGULATION BY THE STATE AND ACTIVITIES AFFECTING 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 rulemaking 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).*

**THE NATIONAL WETLANDS INVENTORY MAPS, MAPS PREPARED BY THE UNITED STATES SOIL CONSERVATION SERVICE, AND OTHER AVAILABLE MAPS MAY PROVIDE USEFUL INFORMATION, BUT PERSONS PLANNING TO CONDUCT ACTIVITIES THAT MAY AFFECT WETLANDS SHOULD FIRST CONSULT THEIR LOCAL SOIL AND WATER CONSERVATION DISTRICT OFFICE."**

Page 10, line 28, delete "*the county's*" and insert "*a*" and after "*comprehensive*" insert "*local*" and after "*plan*" insert "*, as defined in section 103B.3363, subdivision 3,*"

Page 17, line 26, strike "(1)" and insert ":(i)"

Page 17, line 27, strike ", or (2)" and insert ":(ii)"

Page 17, line 33, before the period, insert “; or (iii) land in a wetland preservation area under sections 1 to 5” and strike “shall” and insert “under items (i) and (ii)”

Page 17, line 35, strike “: “Wetlands” shall” and insert “, but do”

Page 18, lines 1 and 2, delete the new language

Page 22, line 5, delete “1991” and insert “1992”

Page 22, line 6, delete “1992” and insert “1993”

Page 22, line 9, delete “FUND” and insert “ACCOUNT”

Pages 22 to 24, delete sections 1 to 3 and insert:

“Section 1. [103F.906] [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT ACCOUNT.]

*Subdivision 1. [ESTABLISHMENT.] A wetland preservation, enhancement, restoration, and establishment account is established in the natural resources fund.*

*Subd. 2. [REVENUE SOURCES.] The account consists of appropriations and contributions.*

*Subd. 3. [EXPENDITURES.] (a) Money in the account may only be spent for:*

- (1) compensation to landowners for denied uses of wetlands;*
- (2) compensation to landowners for land used to restore or establish wetlands; and*
- (3) preservation, enhancement, restoration, and establishment of wetlands.*

*(b) Money in the account may be spent only to the extent that it is matched equally with money from the environment and natural resources trust fund.*

*Subd. 4. [APPROPRIATION.] Money in the account is appropriated to the board of water and soil resources for the purposes listed in subdivision 3.*

*Subd. 5. [ACCOUNT ADMINISTRATION.] The board of water and soil resources shall administer the wetland preservation, enhancement, restoration, and establishment account. 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. 6. [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 account.*

*Subd. 7. [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."*

Page 26, line 15, after "to" insert "*the lesser of \$20,000 or*"

Page 26, line 20, delete "*fund established in*" and insert "*account as provided in article 4, section 1.*"

Page 26, delete line 21

Page 27, delete lines 13 to 18

Page 27, line 20, delete "5" and insert "4"

Page 30, line 36, delete "*section 4*" and insert "*sections 4 to 9*"

Page 32, lines 3, 7, 12, and 18, delete "*section 4*" and insert "*sections 4 to 9*"

Page 32, line 25, delete "[103G.2364]" and insert "[103G.2369]"

Page 32, line 27, delete "*4, subdivision 4*" and insert "*7 or 8,*"

Page 32, line 28, delete "*or 5,*"

Page 32, after line 30, insert:

*"Subd. 2. [DELINEATION.] The "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989) must be used in identifying and delineating wetlands."*

Page 35, after line 34, insert:

*"(b) The permitting authority may charge a permit application fee of up to \$75."*

Page 35, line 35, delete "*(b)*" and insert "*(c)*"

Page 36, line 3, delete "*(c)*" and insert "*(d)*"

Page 36, line 9, delete "4" and insert "8"

Page 36, line 10, delete "*subdivision 4,*"

Page 36, line 12, delete "*(d)*" and insert "*(e)*"

Page 37, lines 2 and 30, delete "5" and insert "6"

Page 37, line 27, delete "*mitigation*" and insert "*replacement*"

Page 38, line 13, after "*wetland*" insert "*under subdivision 4*"

Page 38, line 15, after "*permit*" insert "*under subdivision 6,*"

Page 38, line 22, delete "5" and insert "6"

Renumber the subdivisions in sequence

Page 38, line 23, delete "[103G.2365]" and insert "[103G.237]"

Page 39, line 2, after "*permit*" insert "*under section 9, subdivision 4*"

Page 40, line 28, delete "[103G.2366]" and insert "[103G.2371]"

Page 40, line 31, delete "[103G.2367]" and insert "[103G.2372]"

Page 40, line 33, delete “and” and insert a comma and after “officers” insert “, and peace officers”

Page 40, line 35, after “resources” insert “, a conservation officer, or a peace officer”

Page 41, line 1, after “commissioner” insert “, conservation officer, or peace officer”

Page 41, line 4, delete “by”

Page 41, line 5, delete everything before “under”

Page 41, line 12, delete “[103G.2368]” and insert “[103G.2373]”

Page 48, delete section 2

Page 48, line 17, delete everything after “5” and insert a period

Page 48, delete lines 18 and 19 and insert:

“Subd. 2. [DELINEATION.] *The “Federal Manual for Identifying and Delineating Jurisdictional Wetlands” (January 1989) must be used in identifying and delineating wetlands.*”

Page 48, lines 21 and 23, delete “3” and insert “4”

Page 48, lines 28 and 31, delete “2” and insert “3”

Page 49, after line 7, insert:

“Subd. 5. [CERTIFICATION FEE.] *A soil and water conservation district or other local permitting authority may charge a fee of up to \$75 for a certification under subdivision 4, clause (3).*”

Renumber the subdivisions in sequence

Page 53, line 13, delete “college” and insert “university”

Page 54, after line 10, insert:

## “ARTICLE 12

### APPROPRIATIONS

Section 1. [DEPARTMENT OF NATURAL RESOURCES.]

*\$480,000 in fiscal year 1992 and \$267,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of natural resources for the purposes specified in articles 1 to 11.*

Sec. 2. [BOARD OF WATER AND SOIL RESOURCES.]

*\$806,500 in fiscal year 1992 and \$818,500 in fiscal year 1993 is appropriated to the board of water and soil resources for the purposes specified in articles 1 to 11. Of these amounts, \$100,000 in each fiscal year must be used for grants under article 8.*

Sec. 3. [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT ACCOUNT.]

*\$628,000 in fiscal year 1993 is appropriated to the wetland preservation, enhancement, restoration, and establishment account.*”

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

Page 1, line 12, delete "restoration and compensation fund" and insert "preservation, enhancement, restoration, and establishment account"

Page 1, line 19, after the semicolon, insert "authorizing grants; providing for interim regulation of activities affecting wetlands;"

Page 1, line 31, delete "103G; and" and insert "and 103G."

Page 1, delete line 32

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

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

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [115E.01] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter. Terms that are not defined have the meanings given in the Oil Pollution Act of 1990.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" has the meaning given in section 18D.01, subdivision 3.*

*Subd. 3. [COMMISSIONERS.] "Commissioners" means the commissioner of public safety and*

*(1) the commissioner of agriculture, with respect to agricultural chemicals; or*

*(2) the commissioner of the pollution control agency, with respect to other hazardous substances and oil.*

*Subd. 4. [DISCHARGE.] "Discharge" means an intentional or unintentional emission, other than natural seepage, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping; and also includes release as defined in section 115B.02, subdivision 15.*

*Subd. 5. [FACILITY.] "Facility" means a structure, group of structures, equipment, or device, other than a vessel, that is used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil or a hazardous substance. Facility includes a motor vehicle, rolling stock, or pipeline used for one or more of these purposes. A facility may be in, on, or under land, or in, on, or under waters of the state as defined in section 115.01, subdivision 9.*

*Subd. 6. [HAZARDOUS SUBSTANCE.] "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.*

*Subd. 7. [LEAD AGENCY.] "Lead agency" means:*

*(1) the department of agriculture, with respect to agricultural chemicals; or*

*(2) the pollution control agency, for other hazardous substances or oil.*

*Subd. 8. [OIL.] "Oil" means oil of any kind or in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoils; and also includes petroleum as defined in section 115C.02, subdivision 10.*

*Subd. 9. [OIL POLLUTION ACT OF 1990.] "Oil Pollution Act of 1990" means the Oil Pollution Act of 1990, Statutes at Large, volume 104, pages 484 to 575.*

*Subd. 10. [PERSON.] "Person" has the meaning given in section 115B.02, subdivision 12.*

*Subd. 11. [RESPONSE.] "Response" has the meaning given in section 115B.02, subdivision 18, and the meaning of corrective action given in section 115C.02, subdivision 4. Response includes restoration, rehabilitation, replacement, or acquisition of the equivalent of the natural resources affected by the discharge of hazardous substances or oil.*

*Subd. 12. [VESSEL.] "Vessel" means a watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water. It includes a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue.*

*Subd. 13. [WORST CASE DISCHARGE.] "Worst case discharge" means:*

*(1) in the case of a vessel, sudden loss of the entire contents of the vessel in weather conditions that impede cleanup;*

*(2) for each tank of a storage tank facility, sudden loss of the entire contents of the tank in weather conditions that impede cleanup;*

*(3) in the case of railroad rolling stock facilities, sudden loss of the contents of the maximum expected number of the rail cars containing oil or hazardous substance of a train onto land or into water in weather conditions that impede cleanup;*

*(4) in the case of truck and trailer rolling stock facilities, sudden loss of the entire contents of the truck or trailer onto land or into water in weather conditions that impede cleanup;*

*(5) in the case of a pipeline facility, sudden loss of the contents of the pipeline which would be expected from complete failure of the pipeline onto land or into water in weather conditions that impede cleanup;*

*(6) in the case of oil or hazardous substance transfer facilities, sudden loss of the largest volume which could occur during transfer into or out of a facility; or*

*(7) the worst case discharge for the facility as described by regulations under the Oil Pollution Act of 1990 if the regulations, when adopted, describe a discharge worse than one described in clauses (1) to (6).*

**Sec. 2. [115E.02] [DUTY TO PREVENT DISCHARGES.]**

*A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall take reasonable steps to prevent the discharge of those materials in a place or manner that might cause pollution of the land, waters, or air of the state or that might threaten the public's safety or health.*

**Sec. 3. [115E.03] [DUTY TO PREPARE FOR RESPONSE TO DISCHARGES.]**

*Subdivision 1. [GENERAL PREPAREDNESS.] A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall be prepared at all times to rapidly and thoroughly recover discharged hazardous substances or oil that were under that person's control and to take all other actions necessary to minimize or abate pollution of land, waters, and air of the state and to protect the public's safety and health.*

*Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 4:*

*(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;*

*(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota;*

*(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;*

*(4) persons who own or operate facilities containing 100,000 gallons or more of oil or hazardous substance in tank storage at any time;*

*(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;*

*(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and*

*(7) persons required to demonstrate preparedness under section 5.*

*Subd. 3. [LEVEL OF PREPAREDNESS.] A person described in subdivision 2 shall maintain a level of preparedness that ensures that effective response can reliably be made to worst case discharges.*

*Subd. 4. [DEMONSTRATION OF SATISFACTORY PREPAREDNESS.] A person required to maintain preparedness under subdivision 2 may demonstrate satisfactory preparedness to the commissioner of the lead agency through one or a combination of the following means:*

*(1) adequate response personnel and equipment in the usual employ of*

*the person;*

*(2) adequate response personnel and equipment available from for-hire cleanup contractors with arrangements made for their deployment;*

*(3) adequate response personnel and equipment from a response cooperative or community awareness and emergency response organization meeting guidelines prepared by the lead agency with arrangements made for their deployment; or*

*(4) adequate response personnel and equipment of local, state, or federal public sector response organizations with arrangements made for their deployment.*

*Subd. 5. [DEPARTMENT OF TRANSPORTATION.] The commissioner of transportation may examine the evidence of financial responsibility required under section 1016 of the Oil Pollution Act of 1990 for a vessel and may apply the sanctions in that section.*

**Sec. 4. [115E.04] [PREVENTION AND RESPONSE PLANS.]**

*Subdivision 1. [PLAN CONTENTS.] Persons required to show specific preparedness under section 3, subdivision 2, shall prepare and maintain a prevention and response plan for a worst case discharge. The plan must:*

*(1) describe how it is consistent with the requirements of the national or area contingency plans developed under the Oil Pollution Act of 1990;*

*(2) describe the measures taken to prevent discharges from occurring, including prevention of a worst case discharge, prevention of discharges of lesser magnitude, and prevention of discharges similar to those that have occurred from the vessel or facility during its history of operation;*

*(3) identify the individual or individuals having full authority to implement response actions, and those individuals' qualifications and titles;*

*(4) identify how communication and incident command relationships will be established between the individuals in command of a vessel or facility response and the following persons:*

*(i) individuals in the employ of the owner or operator of the vessel or facility who are responding to the discharge;*

*(ii) appropriate federal, state, and local officials; and*

*(iii) other persons providing emergency response equipment and personnel;*

*(5) describe the facility or vessel and identify the locations and characteristics of potential worst case discharges from the vessel or facility;*

*(6) identify the means under section 3, subdivision 4, that will be used to satisfy the requirement to have adequate equipment and personnel to respond to a worst case discharge;*

*(7) contain copies of contracts, correspondence, or other documents showing that adequate personnel and equipment as described in section 3, subdivision 4, will be available to respond to a worst case discharge;*

*(8) describe the actions that will be taken by the persons described in section 3, subdivision 4, in the event of a worst case discharge; and*

*(9) describe the training, equipment testing, periodic drills, and unannounced drills that will be used to ensure that the persons and equipment*

*described in section 3, subdivision 4, are ready for response.*

*A plan submitted to the federal government under the Oil Pollution Act of 1990 or prepared under other law may be used to satisfy the requirements in clauses (1) to (9) provided that the information required by clauses (1) to (9) is included in the plan.*

*Subd. 2. [TIMING.] A person required to be prepared under section 3 shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 5. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.*

*Subd. 3. [NOTIFICATION.] (a) The commissioner of public safety must be notified when any of the following takes place:*

- (1) submission of the plan to the federal government;*
- (2) granting of exemptions or extensions of time by the federal government for submission of the plan; or*
- (3) completion of the plan if submission to the federal government is not required.*

*(b) Notification under this subdivision must be on a form prescribed by the commissioner of public safety and must include:*

- (1) a description of the facility or vessel;*
- (2) a description of the activities involving oil or hazardous substances;*
- (3) a description of the types of materials being handled, including whether agricultural chemicals are involved; and*
- (4) other information required by the commissioner.*

*(c) The commissioner of public safety shall transmit a copy of the notification to the other commissioners as appropriate, depending on the types of materials involved.*

*Subd. 4. [REVIEW OF PREVENTION AND RESPONSE PLAN.] (a) A copy of the prevention and response plan must be submitted to any of the commissioners who request it and to an official of a political subdivision with appropriate jurisdiction upon the official's request, or the plan and equipment and material named in the plan may be examined upon the request of an authorized agent of a commissioner or official.*

*(b) Upon the request of one or more of the commissioners, a person shall demonstrate the adequacy of prevention and response plans and preparedness measures by conducting announced or unannounced drills, calling persons and organizations named in a prevention and response plan and verifying roles and capabilities, locating and testing response equipment, questioning response personnel, or other means that in the judgment of the requesting commissioner demonstrate preparedness. Before requesting an unannounced drill, the requesting commissioner shall notify the other commissioners that a drill will be requested and invite them to participate in or witness the drill. If an unannounced drill is conducted to the satisfaction of the commissioners, the person conducting the drill may not be required*

*to conduct an additional unannounced drill in the same calendar year.*

Sec. 5. [115E.05] [ORDERS AND INJUNCTIONS; ENFORCEMENT.]

*Subdivision 1. [AMENDMENT TO PLAN.] If one or more of the commissioners finds the prevention and response plans or preparedness measures of a person do not meet the requirements of this chapter, the commissioner or commissioners making the finding may by order require that reasonable amendments to the plan or reasonable additional preventive or preparedness measures be implemented in a timely fashion. If more than one commissioner makes the finding, the order must be a joint order.*

*Subd. 2. [COMPLIANCE.] If oil or a hazardous substance is discharged while it is under the control of a person identified in section 3, subdivision 2, any one of the commissioners may by order require the person to comply with the prevention and response plan requirements of sections 3 and 4 in a timely manner if:*

*(1) land, water, or air of the state is polluted or threatened; or*

*(2) human life, safety, health, natural resources, or property is damaged or threatened.*

*Subd. 3. [ADMINISTRATIVE PENALTY ORDER.] In addition to the authority of the commissioner of the pollution control agency under other law, the commissioner may issue an order that requires violations to be corrected and that administratively assesses monetary penalties for violations under this chapter or section 115.061 and violations of rules adopted by the pollution control agency under sections 115.03, subdivision 1, paragraph (e), clause (3), and 116.49. The order must be issued as provided in section 116.072, subdivisions 2 to 11.*

*Subd. 4. [FINANCIAL ASSURANCE FOR RESPONSE.] The commissioner of the pollution control agency, the department of natural resources, or the department of agriculture may issue an order under this subdivision if the commissioner determines that adequate response is not being made or that other circumstances exist which indicate adequate response will not continue. When ordered by the commissioner of the pollution control agency, the commissioner of natural resources, or the commissioner of agriculture, the owner or operator of a vessel or facility responsible for the discharge of a hazardous substance or oil shall provide financial assurance acceptable to the ordering commissioner. The financial assurance must be in the amount necessary to cover the reasonable response costs, as determined within one year after discharge by the ordering commissioner, of any additional response that is determined to be reasonable and necessary under applicable laws and regulations. This subdivision may be enforced by the ordering commissioner under section 115.071. An order issued under this subdivision shall cease to be effective upon completion of a response in accordance with applicable laws and regulations.*

*Subd. 5. [OTHER ENFORCEMENT POWERS.] For the purposes of enforcing this chapter, the commissioner of the pollution control agency may exercise the regulatory and enforcement powers in chapters 115 and 116 and the commissioner of the department of agriculture may exercise the regulatory and enforcement powers in chapters 18B, 18C, and 18D.*

Sec. 6. [115E.06] [GOOD SAMARITAN.]

*(a) A person listed in this paragraph who is rendering assistance in response to a discharge of a hazardous substance or oil is not liable for*



*response costs that result from actions taken or failed to be taken in the course of the assistance unless the person is grossly negligent or engages in willful misconduct:*

*(1) a member of a cooperative or community awareness and emergency response group in compliance with standards in rules adopted by the pollution control agency;*

*(2) an employee or official of the political subdivision where the response takes place, or a political subdivision that has a mutual aid agreement with that subdivision;*

*(3) a member or political subdivision sponsor of a hazardous materials incident response team or special chemical assessment team designated by the commissioner of the department of public safety;*

*(4) a person carrying out the directions of: (i) the commissioner of the pollution control agency, the commissioner of agriculture, the commissioner of natural resources, or the commissioner of public safety; or (ii) the United States Coast Guard or Environmental Protection Agency on-scene coordinator consistent with a national contingency plan under the Oil Pollution Act of 1990; and*

*(5) a for-hire response contractor.*

*(b) This section does not exempt from liability responsible persons with respect to the discharge under chapter 115B or 115C or responsible parties with respect to the discharge under chapter 18B or 18D.*

**Sec. 7. [115E.07] [COOPERATION BETWEEN PRIVATE AND PUBLIC RESPONDERS.]**

*Political subdivisions and state agencies may arrange with persons to provide resources of state and local government so that the persons may comply with section 3, subdivision 4.*

**Sec. 8. [115E.08] [COORDINATION.]**

*Subdivision 1. [APPOINTMENT.] The commissioner of public safety shall coordinate state agency preparedness for response to discharges of oil or hazardous substances.*

*Subd. 2. [DUTIES.] The commissioner of public safety shall at least annually assess the preparedness of each state agency for carrying out its responsibilities under sections 1 to 10 and shall chair regular meetings of representatives of each agency to prepare for coordinated response. The commissioner shall develop an incident command system for use by state agency responders in consultation with the affected state agencies. Following each major incident, the commissioner shall review the performance of each responding agency and the adequacy of the overall response and shall report to the agencies involved and the governor. The commissioner shall also identify opportunities for state agencies to coordinate with federal departments and agencies and political subdivisions of the state for preparedness and response actions.*

*Subd. 3. [JURISDICTION.] Except as otherwise provided, the following agencies have primary responsibility for the specified areas in carrying out the duties and authorities of this chapter:*

*(1) the department of agriculture, for agricultural chemicals;*

*(2) the department of public safety, for public safety and protection of*

property;

(3) the department of natural resources, for assessment and rehabilitation of water resources; and

(4) the pollution control agency, for all other matters subject to this chapter.

*Subd. 4. [ANNUAL REPORT.] The commissioner shall annually report to the appropriate committees of the legislature on the readiness of state government to respond appropriately to discharges of oil or hazardous substances.*

**Sec. 9. [115E.09] [SINGLE ANSWERING POINT SYSTEM.]**

*The commissioner of public safety shall establish a single answering point system for use by persons responsible for reporting emergency incidents and conditions involving hazardous substances or oil to agencies of the state. The single answering point system must include personnel on duty 24 hours a day and equipment adequate to support communication to and from the parties responsible for an incident and all state agencies responsible for state response to the incident. The persons at the answering point must be trained in the jurisdictions, responsibilities, and capabilities of each state agency and basic hazardous substance hazard recognition and response procedures. All state agencies shall cooperate with the commissioner by including the single answering point system telephone number in files, permits, correspondence, and similar written material, and by appointing staff to coordinate the receipt of reports with the staff of the single answering point system.*

**Sec. 10. [REPORTS.]**

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in this subdivision have the meanings given them.*

*(b) "Discharge" has the meaning given in section 1, subdivision 4.*

*(c) "Response" has the meaning given in section 1, subdivision 11.*

*Subd. 2. [COMMUNICATION REVIEW; REPORT.] The commissioners of public safety, transportation, natural resources, agriculture, military affairs, the pollution control agency, and other state agencies shall review the adequacy of existing radio, telephone, and other communications between local, state, federal, private, and other responders to discharges of oil or hazardous substances. The commissioners shall consult with representatives of the emergency management and public safety agencies of political subdivisions. The commissioners shall jointly report to the legislature by January 1, 1992, on the current abilities of public safety, environmental, health, and cleanup personnel to communicate, and may prepare recommendations for improving communications including designation of statewide radio frequencies for emergency use.*

*Subd. 3. [RESPONSE REVIEW; REPORT.] The commissioner of the pollution control agency, in consultation with public and private responders, shall review state practices for response and follow-up to discharges and shall report to the legislature by January 1, 1992. The report must include:*

*(1) recommendations on preparing, training, and directing state, local, and private responders;*

*(2) evaluation of and recommendations on procedures for oversight of*

*responses to pipeline and tank discharges, including discharges occurring before the effective date of this section;*

*(3) evaluation of the adequacy of resources and authorities for response oversight;*

*(4) review of procedures and policies for ordering financial assurance under section 5, subdivision 4; and*

*(5) recommendations on the need for amendments to liability provisions in existing law relating to discharges.*

**Sec. 11. [FUNDS; TRAINING.]**

*The commissioners of public safety, the pollution control agency, natural resources, agriculture, and 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 public safety may accept gifts for the purpose of ensuring adequate training of state agency and political subdivision personnel.*

**Sec. 12. [EFFECTIVE DATE.]**

*Section 5, subdivision 4, is effective the day following final enactment and applies to discharges of hazardous substances or oil on or after March 1, 1991."*

Delete the title and insert:

"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; proposing coding for new law as Minnesota Statutes, chapter 115E."

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. 37: 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.

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

Page 11, line 4, delete "*these*" and insert "*the*" and after "*standards*" insert "*of clause (1) or this clause*"

Page 19, line 8, after "*request*" insert ", *within 30 days of issuance of the order.*"

Page 24, delete lines 24 to 29

Page 24, line 30, delete "3" and insert "2"

Page 24, line 35, delete "4" and insert "3"

Page 25, line 4, delete "5" and insert "4"

Page 25, line 13, delete "6" and insert "5"

Page 25, line 21, delete "7" and insert "6"

Page 32, line 24, delete "*insolvency,*" and insert "*association becomes obligated.*"

Page 32, line 25, delete "*insolvency*" and insert "*the association becoming obligated*"

Page 34, line 15, before "*403(b)*" insert "*403(a) or*"

Page 34, line 19, delete "*including*" and insert "*but no more than \$100,000 in*"

Page 37, delete lines 7 to 11

Page 38, line 3, delete "*governmental*"

Page 38, line 4, before "*403(b)*" insert "*403(a) or*"

Page 40, delete lines 30 to 36 and insert:

*"The association shall prepare a plan approved by the commissioner for prioritization of payments for emergency or hardship claims if the association determines that the assessments under section 61B.24 are inadequate to promptly pay all obligations of the impaired insurer that are or become due and owing."*

Page 41, delete lines 1 and 2

Page 41, line 3, delete "*approved by the commissioner.*"

Page 41, line 14, delete "*impaired*" and insert "*insolvent*"

Page 58, line 8, after "*insurance*" insert "*and annuity*"

Page 58, delete line 9 and insert "*surrender value, \$300,000 in present*"

*value of annuity payments,”*

Page 60, line 33, delete “*impairment or insolvency occurring*” and insert “*insurer who becomes impaired or insolvent*”

Page 60, line 34, after the period, insert “*Minnesota Statutes 1990, chapter 61B, applies to an insurer who becomes impaired or insolvent before the effective date.*”

Page 135, after line 22, insert:

“Sec. 15. Minnesota Statutes 1990, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$100;

(2) for filing annual statement, \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) for filing bylaws, \$75 or amendments thereto, \$75;

(5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$1,000 \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted,

or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for filing forms and rates, \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee."

Page 140, line 7, delete "1993" and insert "1992"

Page 140, after line 18, insert:

"Sec. 22. [APPROPRIATION.]

*\$1,718,000 is appropriated from the general fund to the commissioner of commerce for the purposes of this act. \$858,000 is for fiscal year 1992 and \$860,000 is for fiscal year 1993. The approved complement of the department of commerce is increased by 15 positions in fiscal year 1992 and 17 positions in fiscal year 1993.*

*\$200,000 is appropriated from the general fund to the attorney general for the purposes of this act. \$100,000 is for fiscal year 1992 and \$100,000 is for fiscal year 1993. The approved complement of the office of attorney general is increased by two positions."*

Renumber the sections of article 10 in sequence

Amend the title as follows:

Page 1, line 14, after the second semicolon, insert "60A.14, subdivision 1;"

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. 263: A bill for an act relating to elections; mail balloting; requiring the presidential primary to be conducted by mail; 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; 204C.14; 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, chapters 204B and 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; 207A.03, subdivision 1; 207A.07; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### PRESIDENTIAL PRIMARY—MAIL BALLOTING

Section 1. [204B.461] [MAIL BALLOTING FOR PRESIDENTIAL PRIMARY.]

*Subdivision 1. [CONDUCT OF PRIMARY BY MAIL; RULES.] The presidential primary required by section 207A.01 shall be conducted by mail under section 204B.45, subdivisions 2 and 3, except as provided in this section. The secretary of state may adopt rules governing the procedures for conducting the primary by mail.*

*Subd. 2. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall designate the county auditor's office or one central location in each county as the single place to obtain a replacement ballot. The county auditor also may designate one or more places of deposit for the ballots cast in the election. The places designated under this subdivision shall be open continuously on the date of the election from 7:00 a.m. to 8:00 p.m.*

*The county auditor shall process and count absentee ballots, replacement ballots, and any ballots cast or returned on election day. The county auditor may begin examining return envelopes, removing completed ballots from the ballot secrecy envelopes, and placing the completed ballots in sealed containers at any time on election day. The county auditor shall count the ballots immediately after the close of voting and shall report the results in*

*the manner specified by the secretary of state. The municipal clerks shall provide the county auditor with ballot boxes, voting booths, and an adequate number of election judges to process and count the ballots.*

*Subd. 3. [MAILING OF BALLOTS.] The secretary of state shall mail the official ballots by nonforwardable mail with a return envelope, a ballot secrecy envelope, and instructions for marking and returning the ballot not sooner than the 20th day before the date of the presidential primary and not later than the 14th day before the date of the presidential primary, to each person registered to vote as of 5:00 p.m. on the 21st day before the date of the presidential primary.*

*The secretary of state may prepare the mail ballots in a manner that permits the votes on the ballots, the voter's party choice, and information included on the return envelope to be read electronically. The mail ballots must be prepared in the format provided for the white ballot to the extent practicable. The envelopes included in the mail ballot must be prepared in the format provided in the rules for mail balloting adopted by the secretary of state to the extent practicable.*

*Subd. 4. [COSTS.] The secretary of state shall pay the costs of the following for the presidential primary: printing the mail ballots; providing first class postage for the mailing enclosure and the return envelope included with the mail ballot; use of equipment to process the return envelopes and count the ballots; and acquisition of adequate space and staff needed to process the return envelopes and count the ballots. The county auditor shall pay the costs of preparing absentee and replacement ballots, and for first class postage for absentee ballots. The municipal clerks shall pay the costs of the election judges needed by the county auditor to process return envelopes and count the ballots, and the costs of providing ballot boxes and voting booths to the county auditor.*

*Subd. 5. [WARNING.] The ballot shall contain the following warning:*

*"Any person who, by use of force or other means, unduly influences a voter to vote in any particular manner or to refrain from voting, is guilty of a felony and is subject, upon conviction, to imprisonment or to a fine, or both."*

*Subd. 6. [PROCESSING AND COUNTING BALLOTS.] The secretary of state may begin examining the return envelopes, removing completed ballots from the ballot secrecy envelopes, transferring the ballot information to magnetic tape, and placing the completed ballots and tape in sealed containers immediately upon receipt of the return envelopes from the voters. The secretary of state may begin counting the votes at any time on the day of the presidential primary. No results may be compiled or released to the public until after 8:00 p.m. on election day. The secretary of state may use equipment designed for optical character recognition on an experimental basis for the purpose of processing and counting the ballots.*

*The secretary of state shall provide adequate staff to process and count the completed ballots. Any staff employed must receive training in counting ballots similar to that required for election judges. The county auditors shall provide assistance to the secretary of state in the recruitment and training of staff and in the processing and counting of the ballots.*

*Subd. 7. [VOTING ON ELECTION DAY.] Presidential primary ballots may be obtained and cast in person at the locations designated by the county auditor from 7:00 a.m. until 8:00 p.m. on election day. The county auditor*



*shall verify that persons voting on election day have not already submitted a completed mail ballot.*

*Subd. 8. [REPORTING RESULTS.] The secretary of state shall prepare a report on the results of the presidential primary for the state canvassing board. The report must include statewide vote totals for each candidate.*

*Subd. 9. [CHALLENGES.] Any ballot and any voter casting a ballot may be challenged under rules adopted by the secretary of state.*

Sec. 2. Minnesota Statutes 1990, section 204C.14, is amended to read:  
204C.14 [UNLAWFUL VOTING; PENALTY.]

No individual shall intentionally:

(a) Misrepresent the individual's identity in applying for a ballot, depositing a ballot in a ballot box or attempting to vote by means of a voting machine or electronic voting system;

(b) Vote more than once at the same election;

(c) Put a ballot in a ballot box for any illegal purpose;

(d) Give more than one ballot of the same kind and color to an election judge to be placed in a ballot box;

(e) Aid, abet, counsel or procure another to go into any precinct for the purpose of voting in that precinct, knowing that the other individual is not eligible to vote in that precinct; or

(f) *By use of force or other means unduly influence a voter to vote in any particular manner or to refrain from voting in an election by mail; or*

(g) Aid, abet, counsel or procure another to do any act in violation of this section.

A violation of this section is a felony.

Sec. 3. [VOTER REGISTRATION COMBINED WITH DRIVER'S LICENSE APPLICATION.]

*By January 1, 1992, the secretary of state shall, in coordination and cooperation with the commissioner of public safety, develop a system for a single registration form to serve as a combined application for an original or change of address driver's license or state identification card and for voter registration.*

Sec. 4. [REPEALER.]

*Minnesota Statutes 1990, sections 207A.03, subdivision 1; and 207A.07, are repealed.*

Sec. 5. [EFFECTIVE DATE.]

*Section 2 is effective August 1, 1991, and applies to crimes committed on or after that date.*

## ARTICLE 2

### REDISTRICTING AMENDMENTS

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 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 in an orderly manner.*

Sec. 2. Minnesota Statutes 1990, section 204B.135, is amended to read:  
204B.135 [REDISTRICTING OF ELECTION DISTRICTS.]

Subdivision 1. [CITIES WITH WARDS.] A city that elects its council members by wards may not redistrict those wards in a year ending in one or before the legislature has been redistricted in a year ending in two. The wards must be redistricted within 45 days after the legislature has been redistricted ~~or by May 10 but no later than 19 weeks before the state primary, whichever is earlier,~~ in the year ending in two; ~~whichever is first.~~

Subd. 2. [OTHER ELECTION DISTRICTS.] For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district. Local government election districts, other than city wards covered by subdivision 1, may not be redistricted until precinct boundaries are reestablished under section 204B.14, subdivision 3, paragraph (c); ~~or by May 10 in a year ending in two, whichever comes first.~~ Election districts covered by this subdivision must be redistricted within 65 days of the time when the legislature has been redistricted ~~or by June 1 but no later than 15 weeks before the state primary, whichever is earlier,~~ in the year ending in two; ~~whichever comes first.~~

Subd. 3. [VOTERS' RIGHTS.] *An eligible voter may apply to the district court for either a writ of mandamus requiring the redistricting of wards or local government election districts or to revise any arbitrary action or abuse of discretion by the governing body responsible for redistricting of wards or local government election districts. An application for revision of a plan to redistrict wards must be filed with the district court within one week after the plan has been adopted and no later than 18 weeks before the state primary in the year ending in two, notwithstanding any charter provision. An application for revision of a plan to redistrict local government election districts must be filed with the district court within one week after the plan has been adopted and no later than 14 weeks before the state primary in the year ending in two.*

Subd. 4. [SPECIAL ELECTIONS; LIMITATIONS.] *No municipality or school district may conduct a special election during the 19 weeks before the state primary in the year ending in two, except for special elections conducted on the date of the school district general election. A school district special election required by any other law may be deferred until the date of the next school district general election, the state primary, or the state general election.*

Sec. 3. Minnesota Statutes 1990, section 204B.14, subdivision 3, is amended to read:

Subd. 3. [BOUNDARY CHANGES; PROHIBITIONS; EXCEPTION.] Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in seven to the time when the legislature has been redistricted in a year ending in two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

(a) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

(b) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

(c) Precinct boundaries must be reestablished within 45 days of the time when the legislature has been redistricted, ~~or by May 10 but no later than 19 weeks before the state primary whichever is earlier~~ in a year ending in two, ~~whichever comes first~~. *The adoption of reestablished precinct boundaries becomes effective on the date of the state primary in the year ending in two.*

Precincts must be arranged so that no precinct lies in more than one legislative district.

Sec. 4. Minnesota Statutes 1990, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. Except in the case of the combination or separation of municipalities for election purposes under subdivision 8, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least ~~30~~ 14 days prior to the first election held after the change takes effect.

*The county auditor must publish a notice illustrating or describing the congressional, legislative, and county commissioner district boundaries in the county in one or more qualified newspapers in the county at least 14 days prior to the first day to file affidavits of candidacy for the state general election in the year ending in two.*

*Alternate dates for adopting changes in precinct boundaries, posting notices of boundary changes, and notifying voters affected by boundary changes pursuant to this subdivision may be established in the manner provided in the rules of the secretary of state.*

Sec. 5. Minnesota Statutes 1990, section 204B.14, subdivision 6, is amended to read:

Subd. 6. [PRECINCT BOUNDARIES TO FOLLOW PHYSICAL FEATURES.] The boundaries of election precincts shall follow visible, clearly recognizable physical features. If it is not possible to establish the boundary between any two adjacent precincts along such features, the boundary around the two precincts combined shall be established *in the manner provided in the rules of the secretary of state* to comply with the provisions of this subdivision. The maps required by subdivision 5 shall clearly indicate which boundaries do not follow visible, clearly recognizable physical features.

For the purposes of this subdivision, "visible, clearly recognizable physical feature" means a street, road, boulevard, parkway, river, stream, shoreline, drainage ditch, railway right-of-way, or any other line which is clearly visible from the ground. A street or other roadway which has been platted but not graded is not a visible, clearly recognizable physical feature for the purposes of this subdivision.

Sec. 6. [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.*

Sec. 7. Minnesota Statutes 1990, section 204B.16, subdivision 1, is amended to read:

**Subdivision 1. [AUTHORITY; LOCATION.]** The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a ~~municipality~~ city or in a school district located in whole or in part in the metropolitan area defined by section 473.121 shall be located within the boundaries of the precinct or within ~~1,500~~ 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to subdivision 2 or a school district pursuant to section 205A.11. ~~The polling place for a precinct may be located up to 3,000 feet outside one of the boundaries of the precinct if necessary to locate a polling place that is accessible to and usable by elderly and handicapped individuals as required in subdivision 5.~~ The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within ~~the~~ a town or within a school district located outside the metropolitan area defined by section 473.121, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 8. Minnesota Statutes 1990, section 204B.16, subdivision 2, is amended to read:

**Subd. 2. [SINGLE POLLING PLACE PERMITTED.]** The governing body of any city of the third or fourth class having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, accessible, centrally located polling place where all the voters of the city shall cast their ballots. *A single polling place*

may also be established for two precincts combined in the manner provided in section 204B.14, subdivision 6. A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city.

Sec. 9. Minnesota Statutes 1990, section 205.84, subdivision 2, is amended to read:

Subd. 2. [REDEFINING WARD BOUNDARIES.] The governing body of the city may by ordinance redefine ward boundaries after a municipal general election. The council shall hold a public hearing on the proposed ordinance before its adoption. One week's published notice of the hearing shall be given. ~~Within six months~~ After the official certification of ~~each~~ the federal decennial or special census, the governing body of the city shall either confirm the existing ward boundaries as conforming to the standards of subdivision 1 or redefine ward boundaries to conform to those standards *as provided in section 204B.135, subdivision 1*. If the governing body of the city fails to take either action within the time required, no further compensation shall be paid to the mayor or council member until the wards of the city are either reconfirmed or redefined as required by this section. An ordinance establishing new ward boundaries ~~shall apply to the first election held at least six months after adoption of the ordinance pursuant to section 204B.135, subdivision 1, becomes effective on the date of the state primary in the year ending in two. Ward boundaries established at other times become effective 90 days after the adoption of the ordinance.~~

Sec. 10. Minnesota Statutes 1990, section 205A.12, subdivision 6, is amended to read:

Subd. 6. [REDEFINING ELECTION DISTRICT BOUNDARIES.] The school board may by resolution redefine district boundaries after a school district general election. The board shall hold a public hearing on the proposed resolution before its adoption. One week's published notice of the hearing must be given. ~~Within six months~~ After the official certification of ~~each~~ the federal decennial or special census, the school board shall either confirm the existing election district boundaries as conforming to the standards of subdivision 4 or redefine election district boundaries to conform to those standards *as provided in section 204B.135, subdivision 2*. If the school board fails to take either action within the time required, no further compensation may be paid to the school board members until the districts are either reconfirmed or redefined as required by this section. A resolution establishing ~~original or new~~ election district boundaries ~~apply to the first election held at least six months after adoption of the resolution pursuant to section 204B.135, subdivision 2, becomes effective on the date of the state primary in the year ending in two. Election district boundaries established at other times become effective 90 days after the adoption of the resolution.~~

Sec. 11. Minnesota Statutes 1990, section 375.025, subdivision 2, is amended to read:

Subd. 2. [VOTERS RIGHTS.] Any qualified voter may apply to the district court of the county for a writ of mandamus (a) requiring the county to be redistricted if the county board has not redistricted the county within the time specified in subdivision 1, or (b) to revise any arbitrary action or abuse of discretion by the county board in redistricting the county. Any application for revision of a redistricting plan shall be filed with the district

court within 30 days after the filing of the redistricting plan with the county auditor within one week after the plan has been filed with the county auditor and no later than 14 weeks before the state primary in the year ending in two. The district court may direct the county board to show cause why it has not redistricted the county or why the redistricting plan prepared by it should not be revised. On hearing the matter it may allow the county board additional time in which to redistrict the county or to correct errors in the redistricting plan. If it appears to the court that the county board has not been sufficiently diligent in performing its redistricting duties, the court may appoint a redistricting commission to redistrict the county in accordance with the standards set forth in subdivision 1 and any other conditions the court shall deem advisable and appropriate. If a redistricting commission is appointed, the county board shall be without authority to redistrict the county.

### ARTICLE 3

#### LOCAL GOVERNMENT ELECTION

##### Section 1. [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. By April 1, 1992, 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 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. [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.*

#### **Sec. 2. [EFFECTIVE DATE.]**

*This article is effective August 1, 1991.*

### **ARTICLE 4**

#### **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 3, section 1, 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 3, section 1, 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 March 1, 1992, 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 3, section 1, 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 5, 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 among municipalities, counties, school districts, and other political subdivisions subject to article 3, section 2.*

*Subd. 3. [PREPARATION OF LOCAL ELECTION BOOKLET.] By August 1, 1992, 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 3, section 1, that has fewer 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 3, section 1. 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 primary and general or special 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 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 RESULTS.] *Within two days after the municipal primary, the governing body of the municipality shall canvass the returns of the primary, 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 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. [205.208] [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 3, section 1, 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 results, the hospital board shall immediately canvass the results of the primary 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.*

**Sec. 10. [EFFECTIVE DATE.]**

*This article is effective August 1, 1991, except that section 2 is effective the day following final enactment.*

**ARTICLE 5  
CONFORMING PROVISIONS FOR UNIFORM  
LOCAL ELECTION DAY**

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 3, section 1, 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 August 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 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 123.11.~~

Sec. 13. [REPEALER.]

*Minnesota Statutes 1990, sections 205.13, subdivision 6, and 205A.06, subdivision 5, are repealed.*

Sec. 14. [EFFECTIVE DATE.]

*This article is effective August 1, 1991, except that sections 2 and 3 are effective July 1, 1992.*

ARTICLE 6

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 3, section 1, 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 3, section 1, 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 1~~ 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 42 days before the election during the period specified in article 3, section 1, 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 the next school district general election for independent districts, six directors shall be elected, ~~two three~~ to hold office until July 1 following the next annual election, ~~two~~ to hold office until the expiration of one year from said July 1 and ~~two~~ to hold office until the expiration of two years from said July 1 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 1~~ *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 3, section 1.*

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 3, section 1*, 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* 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* 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 4, section 9.*

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 3, section 1*, 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 of 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 of 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.~~ *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 3, section 1, 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.

Sec. 21. [EFFECTIVE DATE.]

*This article is effective August 1, 1991.*

## ARTICLE 7

### LOCAL GOVERNMENT ELECTIONS; 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 3, section 1, subdivision 2, may be held after June 30, 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 articles 3 to 7. 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 3, 1992, and the first primary to select nominees for the offices to be filled at that election must be held September 15, 1992. For a political subdivision that designates the odd-numbered year for its local government election, the first election must be held November 2, 1993, and the first primary to select nominees for the offices to be filled at that election must be held September 14, 1993.*

*The governing body of each political subdivision subject to article 3, section 1, subdivisions 2 and 3, shall designate in ordinance or resolution adopted by April 1, 1992, 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 3, section 1, 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, except that if county officials are required to run for reelection in 1992 because of redistricting, half shall be for a term of two years and half shall be for a term of four years.*

(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 1994; terms of members that otherwise expire on July 1, 1994, expire instead on the first Monday of January in 1995; and the terms of members that otherwise would expire on July 1, 1995, expire instead on the first Monday of January in 1996.

(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 3, section 1, 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 3, section 1, 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 article and articles 3, 4, 5, and 6, and prepare appropriate amendments of coded sections in revisor's bills submitted in 1992 and thereafter.

#### Sec. 3. [REPEALER.]

Minnesota Statutes 1990, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 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 7, section 1, subdivision 5, is repealed effective August 1, 1995.

#### Sec. 4. [EFFECTIVE DATE.]

This article is effective August 1, 1991.

### ARTICLE 8

#### LOCAL GOVERNMENT ETHICS

Section 1. Minnesota Statutes 1990, section 6.76, is amended to read:

#### 6.76 [LOCAL GOVERNMENTAL EXPENDITURES FOR LOBBYISTS.]

On or before January 31, ~~1990~~, and each year thereafter, all counties, cities, school districts, metropolitan agencies, regional railroad authorities, and the regional transit board shall report to the state auditor and the ethical practices board, on forms prescribed by the auditor, their estimated expenditures paid for the previous calendar year to a lobbyist as defined in section 10A.01, subdivision 11, and to any staff person not registered as a lobbyist

but who spends over 25 percent of his or her time during the legislative session on legislative matters.

Sec. 2. Minnesota Statutes 1990, section 10A.01, subdivision 25, is amended to read:

Subd. 25. [LOCAL OFFICIAL.] “Local official” means a person, *other than a public official*, who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person *is a full-time, part-time, or acting official* and has authority to make, ~~to recommend,~~ or to vote on as a member of the governing body, ~~major final recommendations and decisions~~ regarding the expenditure or investment of public money.

Sec. 3. Minnesota Statutes 1990, section 10A.01, subdivision 26, is amended to read:

Subd. 26. [METROPOLITAN GOVERNMENTAL UNIT.] “Metropolitan governmental unit” means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2; a regional railroad authority established by one or more of those counties under section 398A.03; a city with a population, *as defined in section 275.14*, of over 50,000 located in the seven-county metropolitan area; the metropolitan council; a metropolitan agency as defined in section 473.121, subdivision 5a; the Minnesota state high school league; and the Greater Minnesota Corporation.

Sec. 4. Minnesota Statutes 1990, section 10A.09, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION.] (a) The secretary of state or the appropriate county auditor, ~~upon~~ *within seven days after receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public or local official required by this section to file a statement of economic interest, shall notify the board of the name of the individual required to file a statement and the date of the affidavit; or petition; or nomination.*

(b) *The city clerk or chief administrative officer of a metropolitan governmental unit shall notify the board within seven days after the nomination or appointment by the metropolitan governmental unit of a public or local official required by this section to file a statement of economic interest. The clerk or officer shall report to the board the individual's name, position, and the date of the nomination or appointment.*

Sec. 5. 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.*

Sec. 6. Minnesota Statutes 1990, section 10A.09, subdivision 6a, is amended to read:

Subd. 6a. [LOCAL OFFICIALS.] A local official required to file a statement under this section shall file it with the *board and the* governing body of the official's political subdivision. ~~The board and the~~ governing body shall maintain statements filed with ~~it~~ *them* under this subdivision as public data.

## ARTICLE 9

### ETHICS ENFORCEMENT

Section 1. 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. 2. 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.

Sec. 3. Minnesota Statutes 1990, section 10A.02, subdivision 9, is amended to read:

Subd. 9. [DOCUMENTS; INFORMATION.] The executive director of the board or the director's staff shall inspect all material filed with the board as promptly as is necessary to comply with the provisions of ~~sections 10A.01 to 10A.34 this chapter, and other provisions of law requiring the filing of a document with the board.~~ The executive director shall immediately notify the individual required to file a document with the board if a written complaint is filed with the board by any registered voter alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with the provisions of ~~sections 10A.01 to 10A.34 this chapter, or that the individual has failed to file a document required by sections 10A.01 to 10A.34 this chapter.~~ *The executive director and staff may provide an individual required to file a document under this chapter with factual information concerning the limitations on corporate campaign contributions imposed by section 211B.15.*

Sec. 4. 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. 5. 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. 6. 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. 7. 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 over \$500 in annual compensation other than reimbursement of expenses shall pay an annual reporting fee of \$50. The principal of a lobbyist who receives compensation other than reimbursement of expenses shall pay an annual reporting fee of \$100. 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.*

Sec. 8. Minnesota Statutes 1990, section 10A.03, subdivision 2, is amended to read:

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, *and, if different, of each principal by which the lobbyist is engaged, compensated, or authorized to lobby*, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby, *and whether the lobbying is to influence legislative action, administrative action, or the official actions of a metropolitan governmental unit*. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 9. 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.

Sec. 10. Minnesota Statutes 1990, section 10A.04, subdivision 5, is amended to read:

Subd. 5. [LATE FILING PENALTIES.] The board shall notify by certified mail or personal service any lobbyist who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of ~~\$5~~ *\$25* per day, not to exceed ~~\$400~~ *\$500*, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1990, section 10A.04, subdivision 6, is amended to read:

Subd. 6. [~~PRINCIPALS TO REPORT LOBBYIST AND PRINCIPAL REPORTS.~~] (a) Each principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, administrative

action, and the official action of metropolitan governmental units:

- (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
- ~~(6)~~ (6) \$150,001 to \$250,000.

(c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.

(d) The principal shall report under this subdivision a total amount that includes:

- (1) all direct payments by the principal to lobbyists in Minnesota;
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota; and
- (3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota.

*(e) The principal shall also report the names of all lobbyists registered to represent the principal in Minnesota during the calendar year covered by the report.*

Sec. 12. Minnesota Statutes 1990, section 10A.04, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section. *Lobbyists and principals shall retain for four years all records concerning the matters requiring disclosure under this chapter, including vouchers, canceled checks, bills, invoices, worksheets, and receipts.*

Sec. 13. Minnesota Statutes 1990, section 10A.065, subdivision 3, is amended to read:

Subd. 3. [~~CIVIL PENALTY ENFORCEMENT.~~] (a) A candidate or political committee that violates this section is subject to a civil fine of up to \$500.

(b) If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall *make every effort for a period of not less than 14 days after a finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made under this section is a matter of public record. Unless violated, a conciliation agreement is a bar to any civil proceeding under this subdivision.*

*(c) If the board is unable after a reasonable time to correct by informal*

*methods any matter that constitutes probable cause, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.*

Sec. 14. Minnesota Statutes 1990, section 10A.09, subdivision 7, is amended to read:

Subd. 7. [LATE FILING PENALTIES.] The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$500, commencing on the eighth day after receiving notice. *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.* The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 15. 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 principal campaign committee or a political party committee, shall pay an annual registration fee in the amount of \$75, in the manner prescribed by the board, with the proceeds deposited in the treasury and credited to the general fund.*

Sec. 16. Minnesota Statutes 1990, section 10A.20, subdivision 12, is amended to read:

Subd. 12. [LATE FILING FEES; MISDEMEANOR.] (a) The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$500, commencing on the eighth day after receiving notice by certified mail or personal service. *For an unreimbursed volunteer treasurer of a principal campaign committee or political committee or fund, who is not a registered lobbyist, the late filing fee is \$5 per day, not to exceed \$100.* If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of ~~\$50~~ \$200 per day, not to exceed ~~\$500~~ \$5,000, commencing on the fourth day after the date the statement was due. *For an unreimbursed volunteer treasurer of a principal campaign committee or political committee or fund, who is not a registered lobbyist, the late filing fee is \$50 per day, not to exceed \$500.*

(b) The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving



a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1990, section 10A.23, is amended to read:

10A.23 [CHANGES AND CORRECTIONS.]

*Subdivision 1.* [TEN DAYS TO CORRECT ERRORS.] Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who willfully fails to report a material change or correction is guilty of a gross misdemeanor.

*Subd. 2.* [INCOMPLETE DOCUMENTS.] *The board shall treat a manifestly incomplete or inaccurate document as though it had not been filed and may impose a late filing fee.*

Sec. 18. Minnesota Statutes 1990, section 383B.053, subdivision 1, is amended to read:

Subdivision 1. [OFFICIALS REQUIRED TO FILE; DEADLINES.] Every candidate for county office, every elected official of Hennepin county, every candidate for office and every elected official of a home rule charter city or statutory city located wholly within Hennepin county and having a population of 75,000 or more, and every candidate for school board and every elected official in special school district No. 1, Minneapolis shall file statements of economic interest as required by this section with the filing officer. A candidate shall file an original statement within 14 days of the filing of an affidavit or petition to appear on the ballot. All elected officials of Hennepin county and of a home rule charter city or statutory city located wholly in Hennepin county and having a population of 75,000 or more who are in office on March 19, 1980, shall file an original statement of economic interest 60 days after forms for disclosure are provided to the filing officer. Every individual required to file a statement shall file a supplementary statement on April 15 of each year in which the individual remains a candidate or elected official. An official or a candidate required to file a statement of economic interest under section 10A.09 is not required to comply with this section.

Sec. 19. [REPORTS OF PRINCIPALS.]

*The first reports of principals required by Minnesota Statutes, section 10A.04, subdivision 6, shall be filed with the ethical practices board by March 15, 1992, for calendar year 1991.*

## ARTICLE 10

### CAMPAIGN FINANCE

Section 1. Minnesota Statutes 1990, section 10A.01, subdivision 10, is amended to read:

Subd. 10. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting

or defeating a ballot question.

An expenditure is considered to be made in the year in which the ~~goods or services for which it was made are used or consumed~~ *candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.*

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.

Expenditure does not include:

- (a) Noncampaign disbursements as defined in subdivision 10c;
- (b) Transfers as defined in subdivision 7a;
- (c) Services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or
- (d) The publishing or broadcasting of news items or editorial comments by the news media.

Sec. 2. Minnesota Statutes 1990, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of money from the state elections campaign fund;
- (e) Payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; ~~and~~
- (g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision; *and*
- (h) *Payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities.*

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.*

Sec. 7. Minnesota Statutes 1990, section 10A.20, subdivision 2, is amended to read:

Subd. 2. [REPORTS REQUIRED.] The reports shall be filed with the board on or before January 31 of each year and additional reports shall be

filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed *according to the following schedule*:

- (1) ten days before a primary ~~and~~;
- (2) 30 days before a general election; and
- (3) ten days before a general election~~;~~.

(b) For special primaries and special elections, the reports shall be filed seven days before a the special primary ~~and a~~, seven days before the special election, and 30 days after a the special election. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

~~(b)~~ (c) In each general election year political committees and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

(d) If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 8. Minnesota Statutes 1990, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period; ~~and~~

(l) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement; *and*

*(m) The sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund.*

Sec. 9. Minnesota Statutes 1990, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In any statewide election any *loan*, contribution, or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These *loans and* contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary

if the statewide or legislative candidate is unopposed in that primary.

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.*

Sec. 11. Minnesota Statutes 1990, section 10A.25, subdivision 7, is amended to read:

Subd. 7. On or before December 31 of each *nonelection* year the board shall determine and publish in the State Register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2.

Sec. 12. Minnesota Statutes 1990, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

(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.*

*For purposes of this subdivision, "otherwise eligible to receive a public subsidy" means that a candidate meets the requirements of sections 10A.31, 10A.315, 10A.321, and 10A.322, but does not mean that the candidate has filed an affidavit of matching funds under section 10A.323.*

Sec. 13. Minnesota Statutes 1990, section 10A.255, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] By June 15 of each *election* year the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.

Sec. 14. Minnesota Statutes 1990, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, ~~\$60,000~~ \$1,500 in an election year for the office sought and ~~\$12,000~~ one-third of that amount in other years;

(b) To a candidate for attorney general, ~~\$10,000~~ \$1,000 in an election year for the office sought and ~~\$2,000~~ \$500 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, ~~\$5,000~~ \$750 in an election year for the office sought and ~~\$1,000~~ one-third of that amount in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and one-third of that amount in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and one-third of that amount in the other year.

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 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.*

Sec. 16. Minnesota Statutes 1990, section 10A.30, subdivision 2, is amended to read:

Subd. 2. [SEPARATE ACCOUNT.] Within the state elections campaign fund account there shall be maintained a separate political party account for the *state committee and the* candidates of each political party and a general account.

Sec. 17. Minnesota Statutes 1990, section 10A.31, subdivision 3, is amended to read:

Subd. 3. [FORM.] The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 (or \$10 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate

\$5 on the return only if the individual has not designated \$5 on the income tax return.

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.

Sec. 19. Minnesota Statutes 1990, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate according to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates *in the form of checks made "payable to the campaign fund of . . . . . (name of candidate) . . . . ."* Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 20. Minnesota Statutes 1990, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. *The board shall also provide agreement forms to candidates on request at any time.* The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board ~~by the following~~ *at any time before September 1 preceding the general election.* An agreement may not be *signed or rescinded* after that date.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Sec. 21. Minnesota Statutes 1990, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [~~CREDIT REFUND RECEIPT FORMS; PENALTY.~~] The board shall make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official ~~credit refund~~ receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a ~~credit refund~~ as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures

as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official ~~credit~~ refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

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).*

Sec. 23. Minnesota Statutes 1990, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

*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.*

*Subd. 3. [FALSE AFFIDAVITS.] If the board makes a finding that an affidavit of matching funds filed under this section is false, the board shall not distribute any additional public subsidy to the candidate. The board may also refer the matter to the appropriate county attorney for further investigation.*

Sec. 24. Minnesota Statutes 1990, section 10A.324, subdivision 3, is amended to read:

*Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy received from the state elections campaign fund must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. For purposes of this section, a transfer from one principal campaign committee to another principal campaign committee or to a political party is considered to be a noncampaign disbursement. Any amount required to be returned must be submitted in the*

form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.

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.*

Sec. 26. Minnesota Statutes 1990, section 10A.43, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INCENTIVE.] (a) The state treasurer shall pay a financial incentive to each congressional candidate of a major political party or minor political party whose name will appear on the ballot in a general or special election, who has signed an agreement to limit campaign expenditures as provided in this section, and who is abiding by the agreement. In the case of an independent or new political party candidate, the congressional candidate must in addition receive more than three percent of the vote cast at the general election for the office sought. An incentive is not payable to a congressional candidate whose name appears only on the ballot in a primary election, but an incentive paid to a candidate in a general or special election may be used to pay expenses or retire debt incurred in the primary campaign. *The state treasurer shall distribute the financial incentive in the form of a check made "payable to the campaign fund of . . . . . (name of candidate) . . . . ."*

(b) The amount of the incentive is up to 25 percent of the expenditure limit for a congressional candidate for the office of United States senator and up to 25 percent of the expenditure limit for a congressional candidate for the office of representative in Congress.

Sec. 27. Minnesota Statutes 1990, section 10A.43, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. *The board shall also make agreement forms available to congressional candidates on request at any time.*

(b) The congressional candidate may sign an agreement and submit it, along with a copy of the candidate's federal designation of a principal campaign committee, to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may obtain an agreement form from the board and submit the agreement, along with a copy of the candidate's federal designation of a principal campaign committee, directly to the board ~~by~~ at any time before September 1 preceding the general election.

(c) An agreement may not be signed or rescinded after ~~that date~~ *September 1 preceding the general election.*

(d) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Sec. 28. Minnesota Statutes 1990, section 10A.43, subdivision 4, is amended to read:

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 10A.44, remains effective for congressional candidates until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), ~~or~~ the day filings open for the next succeeding election to the office held or sought at the time of agreement, *or the agreement is rescinded by the candidate within the time limits provided by law, whichever occurs first.*

Sec. 29. 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.*

Sec. 30. Minnesota Statutes 1990, section 10A.44, subdivision 4, is amended to read:

Subd. 4. [POSTELECTION YEAR EXPENDITURES.] In any year *preceding or following* an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit in subdivisions 1 and 2.

Sec. 31. 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. 32. 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. 33. [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. 34. 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.~~

Sec. 35. Minnesota Statutes 1990, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a ~~credit~~ refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum ~~credit~~ refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A ~~credit~~ refund for a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official ~~credit~~ refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No ~~credit~~ refund is allowed under this subdivision for a contribution to any candidate ~~who~~ unless the candidate:

(1) has ~~not~~ signed an agreement to limit campaign expenditures as provided in section 10A.322; or 10A.43; and;

(2) is seeking an office for ~~whom~~ which voluntary spending limits are specified in section 10A.25 or 10A.43; and

(3) *has designated a principal campaign committee.*

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a ~~credit~~ refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. "Candidate" means a *congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, but does not include except a candidate for judicial office. Beginning January 1, 1991, "candidate" also means a candidate for the United States Senate or United States House of Representatives from Minnesota.*

(d) The commissioner shall include a copy of the ~~credit refund~~ form with the instructions for the long and short individual taxation forms. The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a ~~credit refund~~, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The amount necessary to pay claims for the ~~credit refund~~ provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 36. [REPEALER.]

*Minnesota Statutes 1990, section 10A.25, subdivision 2a, is repealed.*

Sec. 37. [EFFECTIVE DATE.]

*Section 1 is effective retroactively to August 8, 1985.*

## ARTICLE 11

### ELECTIONS

Section 1. Minnesota Statutes 1990, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING; POSTPONE-MENT.] 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.

Sec. 2. Minnesota Statutes 1990, section 204B.06, subdivision 4, is amended to read:

Subd. 4. [PARTICULAR OFFICES.] Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(a) for United States senator, that the candidate will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(b) for United States representative, that the candidate will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(c) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(d) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law;

(e) for county or county municipal court judge or other judicial officer, that the candidate is qualified as prescribed by law;

(f) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election;

*(g) for county attorney, that the candidate is licensed to practice law in Minnesota;*

*(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.*

Sec. 3. Minnesota Statutes 1990, section 204C.32, subdivision 2, is amended to read:

Subd. 2. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. No later than two days after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors and shall mail to each nominee a notice of nomination. *The secretary of state shall send to the ethical practices board a copy of the notices sent to the county auditors.*

Sec. 4. Minnesota Statutes 1990, section 204C.33, subdivision 3, is amended to read:

Subd. 3. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:



- (a) The number of individuals voting in the state and in each county;
- (b) The number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (c) The number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

All members of the state canvassing board shall sign the report and certify its correctness. The state canvassing board shall declare the result within three days after completing the canvass. *The secretary of state shall send to the ethical practices board a copy of the report certified under this subdivision.*

Sec. 5. Minnesota Statutes 1990, section 388.01, is amended to read:  
388.01 [ELECTION; QUALIFICATIONS; TERM; BOND.]

There shall be elected in each county a county attorney who shall be ~~learned in the law~~ licensed to practice law in Minnesota, and whose term of office shall be four years and until a successor qualifies. Before entering upon duties the county attorney shall give bond to the state in the penal sum of \$1,000, to be approved by the county board, conditioned that the county attorney will faithfully and impartially discharge the duties of office and pay over without delay to the county treasurer all moneys received by virtue thereof, which bond and an oath shall be filed for record with the county recorder.

## ARTICLE 12

### FINANCING

Section 1. Minnesota Statutes 1990, section 5.14, is amended to read:  
5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of ~~\$5~~ \$10 on each transaction involving over-the-counter expedited service, other than simple copying requests, that takes place at the office of the secretary of state.

Sec. 2. Minnesota Statutes 1990, section 302A.153, is amended to read:  
302A.153 [EFFECTIVE DATE OF ARTICLES.]

Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of ~~\$135~~ \$160, which includes a ~~\$100~~ \$125 incorporation fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11. Articles of amendment and articles of merger are effective when filed with the secretary of state or at another time within 30 days after filing if the articles of amendment so provide. Articles of merger must be accompanied by a fee of \$60, which includes a \$25 merger fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11.

Sec. 3. Minnesota Statutes 1990, section 303.07, is amended to read:  
303.07 [LICENSE FEES.]

Subdivision 1. [INITIAL FEE.] At the time of making application for a certificate of authority the foreign corporation making the application shall pay to the state treasurer the sum of ~~\$150~~ \$200 as an initial license fee.

Subd. 2. [ANNUAL FEE.] The secretary of state shall collect an annual

license fee from each foreign corporation holding a certificate of authority to transact business in this state. A foreign corporation shall pay ~~\$20~~ \$30 per \$100,000 or fraction thereof of its Minnesota taxable net income for the last taxable year ending prior to the payment of the fee. If the taxable year ended less than 75 days before the date the fee is received by the secretary of state, the taxable net income from the preceding taxable year shall determine the fee. In no event shall the annual license fee be less than ~~\$40~~ \$60. The corporation shall pay this fee by April 1 of each year.

Sec. 4. Minnesota Statutes 1990, section 303.19, subdivision 2, is amended to read:

Subd. 2. [FEE.] If the certificate of authority was revoked by the secretary of state pursuant to section 303.17, the corporation shall pay to the state treasurer ~~\$250~~ \$300 before it may be reinstated.

If the certificate of authority was canceled by a judgment pursuant to section 303.18, the corporation shall pay to the state treasurer \$500 before it may be reinstated.

Sec. 5. Minnesota Statutes 1990, section 303.21, subdivision 3, is amended to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of \$35 shall be paid to the secretary of state for filing any instrument, other than the annual report required by section 303.14, required or permitted to be filed under the provisions of this chapter. For filing the annual report a fee of ~~\$20~~ \$40 must be paid to the secretary of state. The fees shall be paid at the time of the filing of the instrument.

Sec. 6. Minnesota Statutes 1990, section 322A.71, is amended to read:  
322A.71 [ISSUANCE OF REGISTRATION.]

(a) If the secretary of state finds that an application for registration conforms to law and a \$25 filing fee and a ~~\$60~~ \$100 initial registration fee has been paid, the secretary shall:

(1) endorse on the application the word "Filed," and the month, day and year of the filing thereof;

(2) file a duplicate original of the application; and

(3) issue a certificate of registration to transact business in this state.

(b) The certificate of registration, together with a duplicate original of the application, shall be returned to the person who filed the application or a representative of that person.

Sec. 7. Minnesota Statutes 1990, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. A newspaper that is not qualified must inform a public body that presents a public notice for publication that it is not qualified. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily,

be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) in at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(d) be circulated in the local public corporation which it purports to serve, and either have at least 500 copies regularly delivered to paying subscribers, or have at least 500 copies regularly distributed without charge to local residents;

(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication; and

(i) between October 1 and December 31 of each year publish and submit to the secretary of state, along with a filing fee of ~~\$25~~ \$35, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency covering a period of not less than one year ending no earlier than the June 30 preceding the filing deadline, provided that a filing published and submitted after December 31 and before July 1 shall be effective from the date of filing through December 31 of that year.

Sec. 8. Minnesota Statutes 1990, section 333.22, subdivision 1, is amended to read:

Subdivision 1. Registration of a mark hereunder shall be effective for a term of ten years from the date of registration and, upon application filed within six months prior to the expiration of such term or a renewal thereof, on a form to be furnished by the secretary of state, the registration may be renewed for additional ten-year terms provided that the mark is in use by the applicant at the time of the application for renewal and that there are no intervening rights. A renewal fee of ~~\$22~~ \$35 payable to the secretary of state shall accompany the application for renewal of the registration.

Sec. 9. Minnesota Statutes 1990, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a \$3 \$4 surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 10. [APPROPRIATIONS.]

*Subdivision 1. \$3,266,000 is appropriated from the general fund to the agencies named for the purposes of this act, to be available until June 30, 1993.*

**Subd. 2. SECRETARY OF STATE**

(a) *Presidential primary, under article 1* \$2,804,000

*The secretary of state shall apportion the cost of conducting the presidential primary that exceeds \$2,400,000 among the counties in this state according to the number who voted in the primary in each county. Each county shall pay its apportionment to the secretary of state, who shall deposit it in the state treasury and credit it to the general fund.*

(b) *Redistricting, under article 2, section 6* 202,000

(c) *Local elections, under article 4, section 2* 15,000

(d) *Office operations* 200,000

**Subd. 3. ETHICAL PRACTICES BOARD**

*Limiting campaign spending, under article 10* 33,000

**Subd. 4. PUBLIC SAFETY**

*Voter registration, under article 1*

12,000"

Delete the title and insert:

"A bill for an act relating to elections and government ethics; requiring the presidential primary to be conducted by mail; 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; 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; 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 the reporting of last-minute loans; imposing a late filing fee for filing 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; increasing surcharges and fees; appropriating money; amending Minnesota Statutes 1990, sections 5.14; 6.76; 10A.01, subdivisions 10, 10c, 25, and 26; 10A.02, subdivisions 5, 8, 9, 10, 12, and 13; 10A.03, subdivisions 1 and 2; 10A.04, subdivisions 4, 5, 6, and 7; 10A.065, subdivisions 1, 3, and 5; 10A.09, subdivisions 2, 5, 6a, and 7; 10A.14, subdivisions 1 and 2; 10A.19, subdivision 1; 10A.20, subdivisions 2, 3, 5, and 12; 10A.23; 10A.25, subdivisions 5, 7, and 10; 10A.255, subdivision 3; 10A.27, subdivisions 1 and 9; 10A.30, subdivision 2; 10A.31, subdivisions 3, 5, and 10; 10A.322, subdivisions 1, 4, and by adding a subdivision; 10A.323; 10A.324, subdivision 3, and by adding a subdivision; 10A.43, subdivisions 1, 3, and 4; 10A.44, subdivisions 1, 4, and 6; 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; 202A.14, subdivision 1; 203B.06, subdivision 3; 204B.06, subdivision 4; 204B.135; 204B.14, subdivisions 3, 4, 6, and by adding a subdivision; 204B.16, subdivisions 1 and 2; 204B.18, by adding a subdivision; 204C.14; 204C.32, subdivision 2; 204C.33, subdivision 3; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.185, subdivisions 2, 3, and by adding a subdivision; 205.84, subdivision 2; 205A.02; 205A.12, subdivision 6; 211A.02, subdivision 2; 211B.05, subdivision 2; 290.06, subdivision 23; 302A.153; 303.07; 303.19, subdivision 2; 303.21, subdivision 3; 322A.71; 331A.02, subdivision 1; 333.22, subdivision 1; 336.9-413; 375.025, subdivision 2; 375.03; 375.101, by adding a subdivision; 382.01; 383B.053, subdivision 1; 388.01; 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, chapters 204B, 205, and 211A; repealing Minnesota Statutes 1990, sections 10A.25, subdivision 2a; 123.11, subdivisions 2 to 6; 204D.28, subdivision 5; 205.065, subdivisions 1 to 7; 205.07; 205.10; 205.121; 205.13, subdivision 6; 205.175; 205.18, subdivisions 1 and 2; 205.20; 205A.06, subdivision 5; 206.76; 207A.03, subdivision 1; 207A.07;

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.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 496, 257, 966, 506, 944, 842, 720, 3, 37 and 263 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 744, 381, 961, 702 and 977 were read the second time.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### **MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 187, and repassed said bill in accordance with the report of the Committee, so adopted.

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 May 13, 1991

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House Concurrent Resolution No. 1, and repassed said concurrent resolution in accordance with the report of the Committee, so adopted.

House Concurrent Resolution No. 1 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

### **CONFERENCE COMMITTEE REPORT ON H.C.R. NO. 1**

A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

May 9, 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.C.R. No. 1, 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.C.R. No. 1 be further amended as follows:

Page 1, line 14, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and repassage of the resolution.

House Conferees: (Signed) Peter Rodosovich, Jerry Knickerbocker, Richard H. Jefferson

Senate Conferees: (Signed) Lawrence J. Pogemiller, William P. Luther, Donald A. Storm

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on House Concurrent Resolution No. 1 be now adopted, and that the resolution be readopted as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

The question was taken on the re adoption of the resolution, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution, as amended by the Conference Committee, was readopted.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House Concurrent Resolution No. 2, and repassed said bill in accordance with the report of the Committee, so adopted.

House Concurrent Resolution No. 2 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

### CONFERENCE COMMITTEE REPORT ON H.C.R. NO. 2

A House concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

May 9, 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.C.R. No. 2, 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.C.R. No. 2 be further amended as follows:

Page 1, line 18, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Peter Rodosovich, Jerry Knickerbocker, Richard H. Jefferson

Senate Conferees: (Signed) Lawrence J. Pogemiller, William P. Luther, Donald A. Storm

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on House Concurrent Resolution No. 2 be now adopted, and that the resolution be readopted as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

The question was taken on the readoption of the resolution, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution, as amended by the Conference Committee, was readopted.



**MESSAGES FROM THE HOUSE - CONTINUED**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 132, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 132 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

**CONFERENCE COMMITTEE REPORT ON 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 non-incandescent 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.

May 8, 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. 132, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 132 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [16B.126] [FUNDS FOR ENERGY EFFICIENT BULBS.]

*State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 16B.61, subdivision 3, paragraph (k), must use money allocated for utility expenditures for the purchase.*

Sec. 2. 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, except for battery-powered back-up bulbs, in internally illuminated exit signs.*

Sec. 3. 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, except for battery-powered back-up bulbs, in internally illuminated exit signs.*

Sec. 4. [ENERGY EFFICIENCY IN BUILDING CODES.]

*Subdivision 1. [ENERGY EFFICIENCY.] By August 1, 1991, the commissioner of public service, in consultation with the commissioner of administration, shall solicit outside information under Minnesota Statutes, section 14.10, on proposed amendments to the Minnesota building code. The commissioner shall begin rulemaking to adopt the amendments by February 1, 1993. So far as is compatible with interests of public health and safety, the amendments must be designed to equal or exceed the most energy-conserving codes adopted by any other state. To the extent practicable, the codes must equal or exceed the model conservation standards proposed by the Pacific Northwest Power Planning Council for climate zones having 8,000 to 10,000 heating degree days.*

*Subd. 2. [ENERGY EFFICIENCY; COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING.] By August 1, 1991, the commissioner of public service shall solicit outside information under Minnesota Statutes, section 14.10, on proposed codes or standards for commercial heating, ventilation, and air conditioning systems and installations to assure that new and remodeled commercial development in Minnesota is as energy efficient as practicable and compatible with public health and safety. The commissioner shall begin rulemaking to adopt the codes by February 1, 1993.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 2 and 3 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date."*

Delete the title and insert:

*"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 certain replacement 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."*

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Andy Dawkins, Mary Murphy, Dean Hartle

Senate Conferees: (Signed) John Marty, Harold R. "Skip" Finn, Joanne E. Benson

Mr. Marty moved that the foregoing recommendations and Conference

Committee Report on H.F. No. 132 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. 132 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

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

S.F. No. 1565: A bill for an act relating to education; providing for due process for college athletes with respect to national collegiate athletic association's rules; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 1566: A bill for an act relating to health; requiring the licensing of radiologic technologists; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1567: A bill for an act relating to child support; establishing an income shares method of determining the child support obligation based on the income of both parents; modifying the child support guidelines; amending Minnesota Statutes 1990, section 518.551, subdivision 5, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 719 at 2:00 p.m.:

Messrs. Renneke, Spear, Solon, Ms. Berglin and Mr. Samuelson. The motion prevailed.

### **MEMBERS EXCUSED**

Mr. Gustafson was excused from the Session of today. Messrs. Johnson, D.J.; Frederickson, D.J.; Pogemiller; Price and Ms. Reichgott were excused from the Session of today at 2:00 p.m. Mr. Novak was excused from the Session of today from 12:30 to 2:00 p.m. and at 5:45 p.m. Messrs. Halberg and Lessard were excused from the Session of today at 4:00 p.m. Mrs. Pariseau was excused from the Session of today at 6:00 p.m. Mr. Frederickson, D.R. was excused from the Session of today at 5:20 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 14, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTY-THIRD DAY

St. Paul, Minnesota, Tuesday, May 14, 1991

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

### CALL OF THE SENATE

Mrs. Pariseau 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. Norman E. Norland.

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 that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House:

Trimble, Lynch and McGuire.

Senate File No. 687 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1991

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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; 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 3, 4, 5, 7, and by adding subdivisions: 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

There has been appointed as such committee on the part of the House: Sparby, Hasskamp and Frerichs.

Senate File No. 880 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1991

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1027: A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

There has been appointed as such committee on the part of the House: Johnson, R.; Johnson, V. and Rukavina.

Senate File No. 1027 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1991

Mr. President:

I have the honor to announce the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 1, 11, 321, 218, 1687, 655, 678 and 783.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 1: A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

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

H.F. No. 11: A bill for an act relating to human services; modifying 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 Finance.

H.F. No. 321: 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; providing for payment of investigation costs; limiting joint custody; creating a summary dissolution pilot project; appropriating money for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, by adding a subdivision; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 228, now on General Orders.

H.F. No. 218: 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; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 202, now on General Orders.

H.F. No. 1687: A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding



formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

Referred to the Committee on Education.

H.F. No. 655: 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; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

Referred to the Committee on Finance.

H.F. No. 678: A bill for an act relating to juveniles; requiring a study of the juvenile certification process; appropriating money.

Referred to the Committee on Finance.

H.F. No. 783: 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; 1031.105; 1031.111, subdivisions 2b, 3, and by adding a subdivision; 1031.205, subdivisions 1, 3, 4, 7, 8, and 9; 1031.208, subdivision 2; 1031.231; 1031.235; 1031.301, subdivision 1, and by adding a subdivision; 1031.311, subdivision 3; 1031.331, subdivision 2; 1031.525, subdivisions 1, 4, 8, and 9; 1031.531, subdivisions 5, 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 842, now on General Orders.

## REPORTS OF COMMITTEES

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

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

H.F. No. 694: 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; authorizing background

investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; 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; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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

Pages 2 and 3, delete section 5

Page 2, line 28, delete “*environmental*” and insert “*general*” and delete everything after the period

Page 2, delete line 29

Page 3, line 29, delete “*material*” and insert “*materially*”

Page 4, lines 20 and 26, delete “*felony*” and insert “*criminal*”

Page 4, after line 30, insert:

*“Subd. 2. [PERMIT APPLICANT.] For purposes of this section, a permit applicant includes a natural person, a partnership and its owners, and a corporation and its parent.”*

Page 4, line 31, delete “2” and insert “3”

Page 4, line 35, delete “3” and insert “4”

Page 5, line 3, delete the period and insert “*regarding the circumstances surrounding the conviction, corrective measures to prevent recurrence, the applicant’s rehabilitation, and technical and managerial experience. In making a final decision on the permit.*”

Page 5, line 6, delete “4” and insert “5”

Page 5, line 28, delete “*include a base fee covering*” and insert “*reflect reasonable and*”

Page 5, line 29, delete “*and an*” and insert a period

Page 5, delete lines 30 to 32

Page 5, line 33, delete “*prevailed.*”

Page 6, line 6, delete “*promulgated*” and insert “*adopted*”

Page 8, line 31, after “*seek*” insert “*civil*”

Page 9, line 2, after “*commissioner*” insert “*of the pollution control agency*”

Page 9, line 3, before the period, insert “*in Minnesota Statutes, section 116.072*” and delete “*must*” and insert “*shall*”

Page 9, delete line 6 and insert:

“Sec. 15. [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 Minnesota Statutes, 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 Minnesota Statutes, section 115A.03, subdivision 17a, up to a maximum of \$2,000;*

*(2) \$25 per waste tire, as defined in Minnesota Statutes, 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 Minnesota Statutes, 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) up to \$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 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 Minnesota Statutes, 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 Minnesota Statutes, 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.”*

Page 9, line 7, before “The” insert “Subd. 6. [STUDY OF FIELD CITATION PILOT PROGRAM.]”

Page 9, line 25, delete “by local government units” and insert “at the local level”

Page 10, line 9, delete “environmental enforcement account” and insert “money appropriated to the agency in article 2, section 4”

Page 10, after line 28, insert:

“Sec. 19. [REPEALER.]

*Section 5 is repealed.*

Sec. 20. [EFFECTIVE DATE.]

*Section 19 is effective July 1, 1993.”*

Renumber the sections of article 1 in sequence

Pages 10 and 11, delete section 1

Page 11, line 10, after "awards" insert "*from funds raised from private sources*"

Page 14, line 6, delete "and"

Page 15, line 2, before "A" insert "(a)"

Page 15, after line 10, insert:

*"(b) A person who intentionally disposes of an agricultural chemical as defined in section 18D.01, subdivision 3, that is a hazardous waste as defined in section 18D.01, subdivision 5, in violation of chapter 18B, 18C, or 18D, or a standard, special order, stipulation, agreement, or schedule of compliance of the commissioner of agriculture 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."*

Page 17, line 9, delete "works" and insert "works"

Page 17, line 20, reinstate the stricken language and delete the new language

Page 17, line 24, after the stricken "permit" insert "allow" and reinstate the stricken "or"

Page 17, line 30, delete "by" and insert "for compliance with"

Page 17, line 31, after "system" insert "*or state disposal system*" and reinstate the stricken "filing requirement" and delete "*or state*"

Page 17, line 32, delete the new language

Page 20, line 5, delete the first "the" and insert "a"

Page 20, line 6, after "violation" insert "*of this subdivision*"

Page 20, delete lines 12 to 19 and insert:

*"Subd. 13. [SOLID WASTE DISPOSAL.] (a) A person is guilty of a gross misdemeanor who:*

*(1) knowingly disposes of solid waste at, transports solid waste to, or arranges for disposal of solid waste at a location that does not have a required permit for the disposal of solid waste; and*

*(2) does so in exchange for or in expectation of money or other consideration."*

Page 20, after line 28, insert:

"Sec. 4. [APPROPRIATIONS.]

*Subdivision 1. [POLLUTION CONTROL AGENCY.] (a) \$890,000 is appropriated from the general fund to the pollution control agency for administration of articles 1 and 2. \$460,000 is for fiscal year 1992 and \$430,000 is for fiscal year 1993.*

*(b) \$238,000 is appropriated from the general fund to the attorney general for costs incurred under articles 1 and 2. \$119,000 is for fiscal year 1992 and \$119,000 is for fiscal year 1993.*

*Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.] \$200,000 is appropriated from the general fund to the commissioner of natural resources for implementation of the field citation pilot project under article 1, section*

*15. \$100,000 is for fiscal year 1992 and \$100,000 is for fiscal year 1993. The appropriation in S.F. No. 1533 from the game and fish fund to the commissioner of natural resources for enforcement is reduced by \$100,000 in fiscal year 1992 and \$100,000 in fiscal year 1993."*

Page 20, line 30, delete "1, 3, and 4" and insert "2 and 3"

Pages 20 and 21, delete section 6

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 22, delete "18D.331, subdivision 4;"

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

## **SECOND READING OF HOUSE BILLS**

H.F. No. 694 was read the second time.

## **MOTIONS AND RESOLUTIONS**

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

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

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

Messrs. Vickerman and DeCramer introduced—

S.F. No. 1568: A bill for an act relating to traffic regulations; authorizing the operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 1569: A bill for an act relating to public administration; providing for an expenditure budget for taxes every two years; providing access to certain records classified under tax statutes; providing for display of a portrait of a governor in the capitol building; amending Minnesota Statutes 1990, sections 138.17, subdivision 1a; and 270.67, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. introduced—

S.F. No. 1570: A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Metzen moved that S.F. No. 1037 be withdrawn from the Committee on Taxes and Tax Laws, given a second reading and placed on General Orders. The motion prevailed.

S.F. No. 1037: A bill for an act relating to economic development; establishing the regional seed capital program; authorizing economic development authorities to provide seed capital to small businesses; 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 1160.

S.F. No. 1037 was read the second time.

**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

**CALENDAR**

H.F. No. 20: A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 118: A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

Was read the third time 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	Renneke
Beckman	DeCramer	Johnston	Metzen	Riveness
Belanger	Dicklich	Kelly	Moe, R.D.	Sams
Benson, D.D.	Finn	Knaak	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	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Price	Waldorf
Dahl	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1657: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
Benson, J.E.	Flynn	Kroening	Morse	Samuelson
Berg	Frank	Laidig	Neuville	Solon
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Storm
Bertram	Gustafson	Lessard	Pappas	Stumpf
Brataas	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 1050: A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, 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 52 and nays 11, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Berg	Day	Johnston	Olson
Benson, D.D.	Brataas	Johnson, D.E.	Knaak	Pariseau
Benson, J.E.				

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	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.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Storm
Brataas	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 202: A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Mondale	Riveness
Beckman	Dicklich	Kelly	Morse	Samuelson
Belanger	Finn	Kroening	Novak	Solon
Benson, J.E.	Flynn	Lessard	Pappas	Spear
Berglin	Frank	Luther	Pariseau	Traub
Bertram	Frederickson, D.J.	Marty	Piper	Vickerman
Chmielewski	Frederickson, D.R.	McGowan	Pogemiller	Waldorf
Cohen	Hottinger	Mehrkens	Price	
Dahl	Hughes	Metzen	Ranum	
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Day	Knaak	Neuville	Storm
Berg	Gustafson	Laidig	Olson	Stumpf
Bernhagen	Johnson, D.E.	Langseth	Renneke	
Brataas	Johnston	Larson	Sams	

So the bill passed and its title was agreed to.



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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
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	Kroening	Neuville	Samuelson
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	

Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1125: 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.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

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; setting conditions for counties to assist state fair exhibits; amending Minnesota Statutes 1990, sections 37.02; 37.19; and 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1127: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frank and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	

Mr. Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1197: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Ranum
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Knaak	Mondale	Sams
Benson, J.E.	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	Pappas	Stumpf
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	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

So the bill passed and its title was agreed to.

H.F. No. 289: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Day	Johnston	Mehrkens	Neuville
Brataas				

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

H.F. No. 564: A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance

carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrrens	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	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

H. F. No. 786: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Morse	Solon
Beckman	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Hughes	Marty	Price	Waldorf
Davis	Johnson, D.E.	Merriam	Ranum	
DeCramer	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Johnson, J.B.	Moe, R.D.	Riveness	
Finn	Kelly	Mondale	Sams	

Those who voted in the negative were:

Belanger	Bernhagen	Gustafson	McGowan	Pariseau
Benson, D.D.	Brataas	Johnston	Mehrrens	Renneke
Benson, J.E.	Chmielewski	Knaak	Neuville	Samuelson
Berg	Day	Larson	Olson	Storm

So the bill passed and its title was agreed to.

H. F. No. 1189: A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	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	Kroening	Neuville	Solon
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Pappas	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Stumpf
Bertram	Frederickson, D.R.	Luther	Piper	Traub
Brataas	Gustafson	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Merriam	Reichgott	

Messrs. Knaak, Larson and Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

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 13.03, subdivision 3; 15.191, subdivision 1; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.672, subdivision 9; and 16A.721, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	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	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

S.F. No. 836: A bill for an act relating to education; appropriating money for construction on the St. Cloud State University campus.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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; discontinuing sale of infrastructure development bonds, consolidating debt service for infrastructure development bonds in the general fund; requiring consultation with the capitol area architectural and planning board on building projects in the capitol area; requiring the commissioner of administration to review capital budget requests for state buildings; requiring a report; setting the debt service limit for the biennium ending June 30, 1991; appropriating money; amending Minnesota Statutes 1990, sections 16A.11, subdivisions 1 and 3, and by adding subdivisions; 16A.662, subdivisions 2, 4, and 5; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

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



The question was taken on the passage of the bill.

The roll was called, and there were yeas 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.	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	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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	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	

So the bill passed and its title was agreed to.

S.F. No. 1402: A bill for an act relating to higher education; authorizing a study of potential uses for the Waseca campus of the University of Minnesota; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R. D.	Renneke
Benson, J.E.	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	

Mr. Belanger voted in the negative.

So the bill passed and its title was agreed to.

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 for the payment of retirement fund employer contributions; amending Minnesota Statutes 1990, sections 355.392, subdivisions 2 and 3; and 490.123, 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	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
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

So the bill passed and its title was agreed to.

S.F. No. 100: A bill for an act relating to transportation; authorizing replacement funds for certain culverts and grading costs; authorizing certain assistance for bridge approaches from the town bridge account; amending Minnesota Statutes 1990, section 161.082, subdivision 2a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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	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	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 371: 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; amending restrictions on felony prosecutions for taking, detaining, or failing to return a child; appropriating money; amending Minnesota Statutes 1990, sections 299C.52, subdivisions 1, 3, and 6; 609.115, by adding a subdivision; and 609.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	DeCramer	Johnston	Metzen	Reichgott
Benson, D.D.	Dicklich	Kelly	Moe, R. D.	Renneke
Benson, J.E.	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	Storm
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 53 at 1:30 p.m.:

Messrs. Beckman, DeCramer, Mehrkens, Metzen and Langseth. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 1:30 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Price moved that the following members be excused for a Conference Committee on S.F. No. 800 from 1:30 to 2:30 p.m.:

Messrs. Lessard, Merriam and Price. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 880 at 3:10 p.m.:

Messrs. Kroening, McGowan and Spear. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 3:30 p.m.:

Messrs. Stumpf, Dicklich, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1474, 559, 174 and H.F. Nos. 1119, 143, which the committee recommends to pass.

S.F. No. 1422, which the committee recommends be re-referred to the Committee on Taxes and Tax Laws.

S.F. No. 300, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 11, line 27, delete "1991" and insert "1992"

Page 17, line 34, strike "consulting"

Page 18, line 1, after the second "licensed" insert "consulting"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 300.

The roll was called, and there were yeas 33 and nays 15, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Dicklich	Hottinger	Pariseau	Spear
Berg	Finn	Hughes	Piper	Storm
Berglin	Flynn	Johnson, D.J.	Ranum	Stumpf
Bertram	Frank	Knaak	Reichgott	Traub
Cohen	Frederickson, D.J.	Luther	Riveness	Vickerman
Dahl	Frederickson, D.R.	Moe, R. D.	Sams	
Davis	Halberg	Novak	Samuelson	

Those who voted in the negative were:

Adkins	Bernhagen	Johnson, D.E.	Kroening	Marty
Belanger	Day	Johnson, J.B.	Laidig	Mondale
Benson, D.D.	Gustafson	Johnston	Larson	Neuville

The motion prevailed. So S.F. No. 300 was recommended to pass.

S.F. No. 565, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 2, lines 18 and 19, delete "*between merchants or between merchant and nonmerchant and*"

Page 2, line 25, delete "*do not damage*" and insert "*is not due to damage to*"

The motion prevailed. So the amendment was adopted.

H.F. No. 752, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 2, line 5, before "*The*" insert "*Notwithstanding Laws 1991, chapter 5,*"

Page 2, line 10, delete "*not less than 32 days*" and insert "*no later than May 31, 1991, and the election shall be held on Tuesday, June 18, 1991.*"

Page 2, delete lines 11 and 12

The motion prevailed. So the amendment was adopted.

H.F. No. 1147, which the committee reports progress, subject to the following motions:

Mr. Waldorf moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 14, line 3, delete "2," and delete ", and 9" and after "to" insert "*19 and*"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 10, line 31, before "At" insert "*All professional employees as defined in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Larson	Price
Benson, D.D.	Dahl	Hughes	Lessard	Solon
Benson, J.E.	Day	Johnson, D.E.	McGowan	Vickerman
Berg	DeCramer	Johnston	Neuville	
Bertram	Finn	Knaak	Olson	
Brataas	Gustafson	Kroening	Pariseau	

Those who voted in the negative were:

Berglin	Frederickson, D.R.	Marty	Pappas	Storm
Cohen	Halberg	Merriam	Piper	Stumpf
Dicklich	Johnson, D.J.	Moe, R.D.	Ranum	Traub
Flynn	Johnson, J.B.	Mondale	Riveness	Waldorf
Frank	Kelly	Morse	Samuelson	
Frederickson, D.J.	Luther	Novak	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. DeCramer moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 10, delete section 15

Page 12, after line 19, insert:

“Sec. 20. [UNCLASSIFIED POSITIONS IN THE STATE LOTTERY.]

*The commissioner of employee relations, with the director of the state lottery, 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 (i). The commissioner shall consider criteria that recognize the unique functions of the lottery. 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.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Larson	Pariseau
Benson, D.D.	Day	Johnson, D.J.	Lessard	Price
Benson, J.E.	DeCramer	Johnston	Neuville	Storm
Berg	Gustafson	Kelly	Novak	Stumpf
Brataas	Hughes	Knaak	Olson	Vickerman

Those who voted in the negative were:

Berglin	Finn	Halberg	Moe, R.D.	Ranum
Bertram	Flynn	Johnson, J.B.	Mondale	Riveness
Cohen	Frank	Luther	Morse	Traub
Davis	Frederickson, D.J.	Marty	Pappas	Waldorf
Dicklich	Frederickson, D.R.	Merriam	Piper	

The motion prevailed. So the amendment was adopted.

H.F. No. 1147 was then progressed.

H.F. No. 958, which the committee recommends to pass with the following amendments offered by Messrs. Berg and Morse:

Mr. Berg moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, after line 10, insert

"Section 1. [13.645] [AQUACULTURE PERMIT DATA.]

*The following data collected and maintained by an agency issuing aquaculture permits under sections 2 to 9 are classified as private or nonpublic: the names and addresses of customers provided in the permit application."*

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "classifying certain private data collected for aquaculture permits;"

Page 1, line 8, delete "chapter" and insert "chapters 13 and"

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, line 22, delete "and"

Page 1, line 24, before the period, insert ", or fish farms licensed under section 97C.209"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, after line 10, insert:

"Section 1. [17.107] [TROPIC STATE LABELING.]

*Subdivision 1. [CERTIFICATION OF TROPIC STATE.] The commissioner, in consultation with the commissioners of the pollution control agency and natural resources, shall annually certify the trophic state of the waters used for aquatic farming. Aquatic farming waters maintained in a trophic state equal or better than:*

*(1) 25 percent of the lakes in this state over 100 acres shall be certified as "pristine waters";*

*(2) 50 percent of the lakes in this state over 100 acres shall be certified as "pure, clean, or fresh waters"; and*

*(3) 75 percent of the lakes in this state over 100 acres shall be certified as "natural waters."*

*Subd. 2. [USE OF TERMS.] A person may only use the terms "natural," "pure," "clean," "fresh," or "pristine" in describing waters used for aquaculture on labeling, advertising, or other material if the waters from which the products were raised are certified accordingly under subdivision 1. The*

*terms may be used in conjunction with other Minnesota grown labeling."*

Page 4, delete section 8 and insert:

"Sec. 9. [17.498] [RULES; FINANCIAL ASSURANCE.]

*(a) The commissioner of the pollution control agency, after consultation and cooperation with the commissioners of agriculture and natural resources, shall present proposed rules to the pollution control agency board prescribing water quality permit requirements for aquaculture facilities by May 1, 1992. The rules must consider:*

*(1) best available proven 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 impacts;*

*(2) classes, types, sizes, and categories of aquaculture facilities;*

*(3) temporary reversible impacts versus long-term impacts on water quality;*

*(4) effects on drinking water supplies that cause adverse human health concerns; and*

*(5) aquaculture therapeutics, which shall be regulated by the pollution control agency.*

*(b) Net pen aquaculture and other aquaculture facilities with similar effects must submit an annual report to the commissioner of the pollution control agency analyzing changes in water quality trends from previous years, documentation of best management practices, documentation of costs to restore the waters used for aquaculture to the trophic state existing before aquatic farming was initiated, and documentation of financial assurance in an amount adequate to pay for restoration costs. The trophic state, which is the productivity of the waters measured by total phosphorus, dissolved oxygen, algae abundance as chlorophyll-a, and secchi disk depth of light penetration, and the condition of the waters measured by raw drinking water parameters, shall be determined to the extent possible before aquatic farming is initiated. The financial assurance may be a trust fund, letter of credit, escrow account, surety bond, or other financial assurance payable to the commissioner for restoration of the waters if the permittee cannot or will not restore the waters after termination of aquatic farming operations or revocation of the permit.*

*(c) The commissioner of the pollution control agency shall submit a draft of the proposed rules to the legislative water commission by September 1, 1991. By January 15, 1992, the commissioner of the pollution control agency shall submit a report to the legislative water commission about aquaculture facilities permitted by the pollution control agency. The report must include concerns of permittees as well as concerns of the agency about permitted aquaculture facilities and how those concerns will be addressed in the proposed rules.*

*(d) Information received as part of a permit application or as otherwise requested must be classified according to chapter 13. Information about processes, aquatic farming procedures, feed and therapeutic formulas and rates, and tests on aquatic farming products that have economic value is nonpublic data under chapter 13, if requested by the applicant or permittee.*

Sec. 10. Minnesota Statutes 1990, section 18B.26, subdivision 1, is



amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. *Aquaculture therapeutics shall be registered and labeled in the same manner as pesticides.* Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

Sec. 11. Minnesota Statutes 1990, section 25.33, subdivision 5, is amended to read:

Subd. 5. "Commercial feed" means all materials except unmixed seed, whole or processed, when not adulterated within the meaning of section 25.37, paragraphs (A), (B), (C), or (D) which are distributed for use as feed or for mixing in feed, *including feed for aquatic animals.* The commissioner by rule may exempt from this definition, or from specific provisions of sections 25.31 to 25.44, commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances when such commodities, compounds or substances are not intermixed with other materials, and are not adulterated within the meaning of section 25.37, paragraphs (A), (B), (C), or (D)."

Page 10, line 30, delete "*Sections 1 to 13 are*" and insert "*This act is*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 181, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Amend H.F. No. 181, the unofficial engrossment, as follows:

Page 1, line 19, delete "*petroleum tank leakage or spill*"

Page 2, line 19, before the period, insert "*, except that if the board finds that the responsible person has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the responsible person under this subdivision*"

Page 2, lines 21 and 22, delete "*petroleum tank leakage or spill*"

Page 2, line 34, delete "*there*" and insert "*in that subdivision, except where the board has knowingly provided reimbursement because the responsible person was denied coverage by the insurer*"

Page 3, lines 15 and 16, delete "*petroleum tank leakage or spill*"

The motion prevailed. So the amendment was adopted.

S.F. No. 786, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 4, line 17, strike "In addition to the above fees," and strike "minimum" and strike "\$10 or"

Page 4, line 18, strike ", whichever is greater, shall" and insert "may"

Page 7, delete section 14

The motion prevailed. So the amendment was adopted.

H.F. No. 1190, which the committee recommends to pass with the following amendment offered by Mr. Dicklich:

Amend H.F. No. 1190, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1380.)

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1990, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (e), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;
- (2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and
- (4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and
- (9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) for nonprofit corporations and school districts:
  - (i) 5.0 cents per 1,000 gallons until December 31, 1991;
  - (ii) 10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and

(iii) 15.0 cents per 1,000 gallons after January 1, 1997; and

(2) for all other users after January 1, 1990, 20 cents per 1,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and in no case may the fee be less than \$50. The commissioner shall notify all permittees of the fee changes authorized by this law by July 1, 1990. The commissioner is authorized to refund 1989 water use report processing fees under this subdivision.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$175,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$35,000 per year for an entity holding three or fewer permits;

(ii) \$50,000 per year for an entity holding four or five permits;

(iii) \$175,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year; and

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) For once-through systems fees payable after July 1, 1993, at least 50 percent of the fee deposited in the general fund shall be used for grants, loans, or other financial assistance as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems until December 31, 1999. The commissioner shall adopt rules for determining eligibility and criteria for the issuance of grants, loans, or other financial assistance for retrofitting according to chapter 14, by July 1, 1993.

(g) This subdivision applies to permits issued or effective on or after January 1, 1990."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1142, which the committee recommends to pass with the following amendments offered by Mr. Luther, Ms. Ranum and Mr. Hottinger:

Mr. Luther moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 5, after line 29, insert:

*"(d) This section does not apply to arbitrations between employers and employees under chapter 179 or interest arbitrations under section 179A.16."*

Page 6, line 32, before the period, insert *"unless the award is issued in connection with an arbitration between an employer and employees under chapter 179 or an interest arbitration under section 179A.16"*

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, line 20, after "provide" insert "an equitable means"

Page 1, line 27, delete "from the binding judgment"

Page 2, line 1, delete the third comma

Page 3, line 28, strike "settlement demand" and insert "notice of claim"

Page 4, line 3, strike "settlement demand" and insert "notice of claim"

Page 4, line 13, strike "settlement demand"

Page 4, line 14, before the comma, insert "notice of claim"

Page 6, line 31, after the period, insert "If requested by a party before the close of the hearing, the arbitrators shall include in their award a brief explanation of the basis for the award, but formal findings of fact or conclusions of law are not required."

Page 7, line 15, delete "clause (1), (3),"

Page 7, line 16, delete "or (4)," and after "amending" insert ", correcting."

Page 8, delete lines 3 and 4

Page 8, line 5, delete "(b)"

Page 8, delete lines 8 and 9 and insert:

*"Sections 1 to 3 and 7 are effective the day following final enactment. Sections 4 and 5 are effective July 1, 1991, and apply to proceedings pending on or commenced on or after that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "modifying circumstances under which an arbitrator may change an award;"

Page 1, line 11, delete "sections 484.73; 484.74; and" and insert "section"

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, after line 13, 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."*

Page 8, line 8, before "Section" insert "Sections 1, 2, and 3 are effective August 1, 1991, and apply to convictions entered and civil actions commenced on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 1142, as amended pursuant to

Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1990, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in section 72A.327, the supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to binding arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of ~~\$5,000~~ \$10,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage."

Page 3, after line 14, insert:

"Sec. 4. Minnesota Statutes 1990, section 548.36, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "collateral sources" means payments related to the injury or disability in question made to the plaintiff *or claimant*, or on the plaintiff's *or claimant's* behalf up to the date of the verdict, by or pursuant to:

(1) a federal, state, or local income disability or workers' compensation act; or other public program providing medical expenses, disability payments, or similar benefits;

(2) health, accident and sickness, or automobile accident insurance or liability insurance that provides health benefits or income disability coverage; except life insurance benefits available to the plaintiff *or claimant*, whether purchased by the plaintiff *or claimant* or provided by others, payments made pursuant to the United States Social Security Act, or pension payments;

(3) a contract or agreement of a group, organization, partnership, or corporation to provide, pay for, or reimburse the costs of hospital, medical, dental or other health care services; or

(4) a contractual or voluntary wage continuation plan provided by employers or any other system intended to provide wages during a period of disability, except benefits received from a private disability insurance policy where the premiums were wholly paid for by the plaintiff *or claimant*.

Sec. 5. Minnesota Statutes 1990, section 548.36, subdivision 2, is amended to read:

Subd. 2. [MOTION.] In a civil action *or arbitration proceeding*, whether based on contract ~~or~~, tort, *or agreement to arbitrate* when liability is admitted or is determined by the trier of fact *or arbitrator*, and when damages include an award to compensate the plaintiff *or claimant* for losses available to the date of the verdict *or arbitration award* by collateral sources, a party may file a motion within ten days of the date of entry of the verdict *or award* requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court *or arbitrator* shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff *or claimant* or are otherwise available to the plaintiff *or claimant*

as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff *or claimant* or members of the plaintiff's *or claimant's* immediate family for the two-year period immediately before the accrual of the action to secure the right to a collateral source benefit that the plaintiff *or claimant* is receiving as a result of losses.

Sec. 6. Minnesota Statutes 1990, section 548.36, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF THE COURT *OR ARBITRATOR*.] (a) The court *or arbitrator* shall reduce the award by the amounts determined under subdivision 2, clause (1), and offset any reduction in the award by the amounts determined under subdivision 2, clause (2).

(b) If the court *or arbitrator* cannot determine the amounts specified in paragraph (a) from the written evidence submitted, the court *or arbitrator* may within ten days request additional written evidence or schedule a conference with the parties to obtain further evidence.

(c) In any case where the *plaintiff or claimant* is found to be at fault under section 604.01, the reduction required under paragraph (a) must be made before the *plaintiff's or claimant's* damages are reduced under section 604.01, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 548.36, subdivision 4, is amended to read:

Subd. 4. [CALCULATION OF ATTORNEYS' FEES.] If the fees for legal services provided to the plaintiff *or claimant* are based on a percentage of the amount of money awarded to the plaintiff *or claimant*, the percentage must be based on the amount of the award as adjusted under subdivision 3. Any subrogated provider of a collateral source not separately represented by counsel shall pay the same percentage of attorneys' fees as paid by the plaintiff *or claimant* and shall pay its proportionate share of the costs."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 267, which the committee recommends to pass, subject to the following motion:

Mr. Beckman moved that the amendment made to H.F. No. 267 by the Committee on Rules and Administration in the report adopted May 10, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 432, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, line 23, delete "*conclusive*" and insert "*rebuttable*"

The motion prevailed. So the amendment was adopted.

H.F. No. 317, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 317, as amended pursuant to Rule 49, adopted by the

Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 227.)

Page 8, line 23, after "*asset*" insert "*and a fair return on the asset*"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, as kept by the Secretary, be adopted.

Mr. Waldorf requested that the report on H.F. No. 1147 be divided out.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, with the exception of the report on H.F. No. 1147, be adopted. The motion prevailed.

The question was taken on the adoption of the report on H.F. No. 1147.

The roll was called, and there were yeas 15 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frank	McGowan	Renneke
Benson, J.E.	Day	Gustafson	Metzen	Solon
Bernhagen	DeCramer	Lessard	Neuille	Storm

Those who voted in the negative were:

Belanger	Flynn	Kelly	Novak	Riveness
Benson, D.D.	Frederickson, D.J.	Knaak	Olson	Sams
Berg	Halberg	Kroening	Pappas	Spear
Berglin	Hottinger	Larson	Pariseau	Traub
Cohen	Johnson, D.E.	Luther	Price	Vickerman
Dahl	Johnson, J.B.	Marty	Ranum	Waldorf
Finn	Johnston	Moe, R.D.	Reichgott	

The motion did not prevail.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 806, 720 and H.F. Nos. 744, 961, which the committee recommends to pass.

S.F. No. 506, which the committee recommends to pass with the following amendments offered by Messrs. Berg; Frederickson, D.R.; Price; Kroening; Riveness; McGowan and Luther:

Mr. Berg moved to amend S.F. No. 506 as follows:

Page 16, delete section 18



Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 28, delete "subdivisions 1 and" and insert "subdivision"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend S.F. No. 506 as follows:

Page 7, line 22, after the comma, insert "*or for persons of all ages for amateur baseball or softball if equipment and uniforms do not exhibit commercial advertising,*" and strike "such" and insert "*the use of the*" and before "activities" insert "*participation in the*" and strike "do" and insert "does"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 506 as follows:

Page 27, line 28, after "lottery" insert ", *except a lottery conducted by an adjoining state,*"

Pages 28 and 29, delete section 39

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "authorizing dissemination of information about lotteries conducted by adjoining states;"

Page 1, line 35 and 36, delete "609.761, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend S.F. No. 506 as follows:

Page 4, line 9, delete "and"

Page 4, line 14, delete the period and insert "; and

*(4) sold, offered for sale, or otherwise provided to a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value."*

Page 6, after line 21, insert:

*"Subd. 9. [REQUIRED INFORMATION.] A person to whom a license is issued under this section shall provide, in a manner prescribed by the commissioner, information required by the commissioner relating to the shipment and sale of gambling devices."*

Page 6, line 22, delete "9" and insert "10"

Page 27, after line 33, insert:

*"Clause (5) does not prohibit operation of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value."*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Knaak	Mondale	Riveness
Belanger	Finn	Kroening	Neuville	Solon
Benson, D.D.	Flynn	Laidig	Novak	Spear
Benson, J.E.	Frank	Langseth	Olson	Storm
Berg	Frederickson, D.J.	Lessard	Pappas	Traub
Bernhagen	Frederickson, D.R.	Luther	Pariseau	Vickerman
Bertram	Gustafson	Marty	Pogemiller	
Chmielewski	Halberg	McGowan	Price	
Cohen	Hottinger	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend S.F. No. 506 as follows:

Page 5, line 32, delete "\$5,000" and insert "\$3,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 6, as follows:

Those who voted in the affirmative were:

Beckman	Dahl	Johnson, D.E.	Metzen	Riveness
Belanger	Dicklich	Johnston	Moe, R.D.	Sams
Benson, D.D.	Finn	Kelly	Neuville	Spear
Benson, J.E.	Flynn	Knaak	Olson	Storm
Berg	Frank	Kroening	Pappas	Traub
Berglin	Frederickson, D.R.	Laidig	Pariseau	
Bernhagen	Gustafson	Luther	Price	
Chmielewski	Halberg	McGowan	Ranum	
Cohen	Hottinger	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Day	Lessard	Solon	Vickerman
Bertram				

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 506 as follows:

Page 1, after line 40, insert:

"Section 1. Minnesota Statutes 1990, section 240.02, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of commission members is ~~\$35 per day~~ *for time spent on commission activities, when authorized by the commission, is the same as the compensation provided for members of other boards and commissions under section 15.0575, subdivision 3, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.*

Sec. 2. Minnesota Statutes 1990, section 240.09, subdivision 2, is amended to read:

Subd. 2. [OCCUPATIONAL LICENSES.] A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class D license who is in an occupation listed in section 240.08, subdivision 1, or the rules of the commission must have a class C license from the commission except for active members, as defined in section 349.12, of nonprofit organizations who act without compensation as concession workers ~~or pari-mutuel clerks.~~

Page 2, after line 14, insert:

"Sec. 4. Minnesota Statutes 1990, section 240.18, is amended to read:  
240.18 [BREEDERS' FUND.]

*Subdivision 1. [ESTABLISHMENT; APPORTIONMENT.]* The commission shall establish a Minnesota breeders' fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall apportion the remaining net proceeds into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks in proportion to each category's contribution to the fund and distribute the available net proceeds in each category as follows: *provided in this section.*

~~(1)~~ *Subd. 2. [THOROUGHbred AND QUARTERHORSE CATEGORIES.] (a)* With respect to available money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state: *follows:*

*(1) at least one-half in the form of grants, contracts, or expenditures for equine research and related education at the University of Minnesota school of veterinary medicine; and*

*(2) the balance in the form of grants, contracts, or expenditures for one or more of the following:*

*(i) additional equine research and related education;*

*(ii) substance abuse programs for licensed personnel at racetracks in this state; and*

*(iii) promotion and public information regarding industry and commission activities; racehorse breeding, ownership, and management; and development and expansion of economic benefits from racing.*

*(b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission shall require an annual report from the recipient on the use of the funds to the commission, the chair of the house of representatives committee on general legislation, veterans affairs, and gaming, and the chair of the senate committee on gaming regulation.*

*(c) The commission shall include in its annual report a summary of each grant, contract, or expenditure under paragraph (a), clause (2), and a description of how the commission has coordinated activities among recipients to ensure the most efficient and effective use of funds.*

~~(2)~~ *(d)* After deducting the amount for paragraph ~~(1)~~ (a), the balance of the available proceeds in each category may be expended by the commission to:

~~(a)~~ *(1)* supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in nonrestricted races in that category;

~~(b)~~ *(2)* pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at licensed racetracks in the state; and

~~(c)~~ *(3)* provide other financial incentives to encourage the horse breeding industry in Minnesota.

~~(3)~~ *Subd. 3. [STANDARDbred CATEGORY.] (a)* With respect to the

available money apportioned in the standardbred category, 20 percent must be expended as follows:

(a) (1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state;

(b) (2) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and

(c) (3) one-fourth of that amount as grants for equine research and related education at public institutions of post-secondary learning in the state.

(4) (b) After deducting the amount for paragraph (a), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(a) (1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(b) (2) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(c) (3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

*Subd. 4. [RULES; ADVISORY COMMITTEES.]* The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 5. Minnesota Statutes 1990, section 240.24, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, the commission by rule shall allow the use of: (1) topical external applications that do not contain anesthetics or steroids; (2) food additives; (3) Furosemide or other pulmonary hemostatic agents if the agents are administered under the visual supervision of the veterinarian or ~~assistant~~ *a designee of the veterinarian* employed by the commission; and (4) nonsteroidal anti-inflammatory drugs, provided that the test sample does not contain more than three micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse under the supervision of the commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis.

The commission shall adopt emergency rules to implement the provisions of this subdivision."

Page 3, after line 23, insert:

"Sec. 8. Minnesota Statutes 1990, section 290.92, subdivision 27, is amended to read:

Subd. 27. Any holder of a class A, B, or D license issued by the Minnesota racing commission shall deduct and withhold ~~ten~~ *eight* percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal

Revenue Code of 1986, as amended through December 31, 1989. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment."

Page 30, delete line 36

Page 31, delete "*and 45*" and insert "*Sections 1, 2, 4, 5, 8, 12, 14 to 16, 20 to 24, 27, 29, 32, 35 to 38, 48, and 50*"

Page 31, line 2, delete "3" and insert "7"

Page 31, line 4, delete "*1, 20, 21, 29, and 42*" and insert "*3, 25, 26, 34, and 47*"

Page 31, line 5, delete "*12, 13, and 14*" and insert "*17 to 19*"

Page 31, line 7, delete "39" and insert "44"

Page 31, line 9, delete "26" and insert "31"

Page 31, line 11, delete "*4, 5, and 40*" and insert "*9, 10, and 45*"

Page 31, line 12, delete "*35 to 38*" and insert "*40 to 43*"

Page 31, line 14, delete "*8, 23, and 25*" and insert "*13, 28, and 30*"

Page 31, line 15, delete "*2 and 34*" and insert "*6 and 39*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 506 as follows:

Page 1, after line 40, insert:

"ARTICLE 1  
TELERACING

Section 1. Minnesota Statutes 1990, section 240.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] For the purposes of ~~Laws 1983,~~ this chapter 214, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1990, section 240.01, subdivision 10, is amended to read:

Subd. 10. [RACING DAY.] "Racing day" is a day assigned by the commission on which *live* racing is conducted. ~~Racing day includes televised racing day.~~

Sec. 3. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 16. [HORSEPERSON.] "Horseperson" means a person who is*

*currently licensed by the commission as an owner or lessee, or a trainer.*

Sec. 4. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 17. [TELERACING FACILITY.] "Teleracing facility" means a facility at which telerace simulcasting is conducted under authority of a class E license issued by the commission.*

Sec. 5. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 18. [ON-TRACK PARI-MUTUEL BETTING.] "On-track pari-mutuel betting" means wagering conducted at a licensed racetrack, or at a class E licensed facility whose wagering system is electronically linked to a licensed racetrack.*

Sec. 6. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 19. [SIMULCASTING.] "Simulcasting" means the televised display, for pari-mutuel wagering purposes, of one or more horse races conducted at another location wherein the televised display occurs simultaneously with the race being televised.*

Sec. 7. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 20. [TELERACE SIMULCASTING.] "Telerace simulcasting" means simulcasting at a teleracing facility.*

Sec. 8. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 21. [TELERACING PROGRAM.] "Teleracing program" means a telerace simulcasting event consisting of simulcasting that includes not more than two full racing cards, plus not more than two other races.*

Sec. 9. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 22. [RACING SEASON.] "Racing season" means that portion of the calendar year starting at the beginning of the day of the first live horse race conducted by the licensee and concluding at the end of the day of the last live horse race conducted by the licensee in any year.*

*For purposes of this chapter, the racing season begins before the first Saturday in May and continues for not less than 25 consecutive weeks.*

Sec. 10. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 23. [FULL RACING CARD.] "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telerace simulcast at a licensed racetrack or teleracing facility.*

Sec. 11. Minnesota Statutes 1990, section 240.03, is amended to read:  
240.03 [COMMISSION POWERS AND DUTIES.]

The commission has the following powers and duties:

(1) to regulate horse racing in Minnesota to ensure that it is conducted

in the public interest;

(2) to issue licenses as provided in ~~Laws 1983, this chapter 214;~~

(3) to enforce all laws and rules governing horse racing;

(4) to collect and distribute all taxes provided for in ~~Laws 1983, this chapter 214;~~

(5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

(6) to supervise the conduct of pari-mutuel betting on horse racing;

(7) to employ and supervise personnel under ~~Laws 1983, this chapter 214;~~

(8) to determine the number of racing days to be held in the state and at each licensed racetrack; *and*

(9) to take all necessary steps to ensure the integrity of racing in Minnesota.

Sec. 12. Minnesota Statutes 1990, section 240.05, subdivision 1, is amended to read:

Subdivision 1. [CLASSES.] The commission may issue ~~four~~ *five* classes of licenses:

(a) class A licenses, for the ownership and operation of a racetrack with horse racing on which pari-mutuel betting is conducted;

(b) class B licenses, for the sponsorship and management of horse racing on which pari-mutuel betting is conducted;

(c) class C licenses, for the privilege of engaging in certain occupations related to horse racing; ~~and~~

(d) class D licenses, for the conduct of pari-mutuel horse racing by county agricultural societies or associations; *and*

*(e) class E licenses, for the management of a telereciding facility.*

No person may engage in any of the above activities without first having obtained the appropriate license from the commission.

Sec. 13. Minnesota Statutes 1990, section 240.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The commission may issue one or more class A licenses, but not more than one to any one person. An application for a class A license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements. The application must contain:

(a) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders of the corporation and any of its holding corporations;

(b) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory;

(c) a statement of the assets and liabilities of the applicant;

(d) an affidavit executed by the applicant setting forth that no officer, director, or other person with a present or future direct or indirect financial or management interest in the racetrack, to the best of the applicant's knowledge:

(1) is in default in the payment of an obligation or debt to the state under ~~Laws 1983~~, this chapter 214;

(2) has ever been convicted of a felony in a state or federal court or has a state or federal felony charge pending;

(3) is or has been connected with or engaged in any illegal business;

(4) has ever been found guilty of fraud or misrepresentation in connection with racing or breeding;

(5) has ever been found guilty of a violation of a law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; or

(6) has ever knowingly violated a rule or order of the commission or a law of Minnesota relating to racing;

(e) an irrevocable consent statement, to be signed by the applicant, which states 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 any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings 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 by the records of the commission; and

(f) an affirmative action plan establishing goals and timetables consistent with the Minnesota human rights act, chapter 363.

#### Sec. 14. [240.091] [TELERACING FACILITY LICENSE.]

*Subdivision 1. [APPLICATION.] The commission may issue one or more class E licenses to a holder of a class B license who conducts live racing at a class A facility. 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. An application for a class E license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the facility to be used, the location of the facility, and any other information relevant to the specifications of the facility and its operation, as designated by the commission. The application must also contain:*

*(1) the name and address of the applicant and, if it is a corporation or association, the names of all officers, directors, and shareholders of the corporation and any of its holding companies;*

*(2) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially, an interest of any kind in the applicant or any of its holding companies, whether the interest is financial, administrative, policy making, or supervisory;*

*(3) a statement of the assets and liabilities of the applicant;*

*(4) an affidavit of the type described in section 240.06, subdivision 1, paragraph (d);*



(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

(6) an irrevocable consent statement, to be signed by the applicant, that states 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 any court of competent jurisdiction in this state by the 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 by the records of the commission.

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting a class E license, the commission shall conduct at least one public hearing on the license application in the area where the telercasting facility is proposed to be located. The commission shall request comments on the application from: (1) the city council or town board of the city or town where the facility is proposed to be located, (2) the county board if the facility is proposed to be located outside a city, and (3) the appropriate regional development commission if one exists for the area or, if the facility is proposed to be located within the metropolitan area as defined in section 473.121, subdivision 2, the metropolitan council. The commission may conduct, or request the division of gambling enforcement to conduct, comprehensive background and financial investigations of the applicant, sources of financing, and other information appearing in the application. The costs of the investigations must be paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the division of gambling enforcement on class E licensees and applicants.

Subd. 3. [LICENSE ISSUANCE.] (a) If after considering the information received from the hearing and investigations, the commission determines that the applicant will manage the facility in accordance with all applicable laws and rules and will not adversely affect the public health, welfare, and safety; that the license will not create a competitive situation that will adversely affect racing and the public interest; and that the applicant is financially able to manage the licensed simulcast facility, the commission may issue a class E license to the applicant. The license is effective until revoked or suspended by the commission or relinquished by the licensee.

(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 telercasting 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.

Subd. 4. [FACILITIES.] The commission may not issue a class E license unless the design of the facility will accommodate and provide adequate seating. The operators of the facility must provide adequate parking, and make food and beverages available. The telercast simulcasts must be displayed so that spectators in attendance are afforded a clear presentation of the races.

Subd. 5. [CHANGES IN OWNERSHIP OR MANAGEMENT.] If a

*change in the officers, directors, or other persons with a direct or indirect financial or management interest in the class B licensee, or a change of ownership of more than five percent of the class B licensee's shares, is made after the application for or issuance of a class E license, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required in section 240.06, subdivision 1, paragraph (d).*

*Subd. 6. [LICENSE SUSPENSION AND REVOCATION.] A class E license may be suspended or revoked as provided in section 240.06, subdivision 7. A license suspension or revocation is a contested case under sections 14.57 to 14.69 of the administrative procedure act, and is in addition to criminal penalties imposed for a violation of law or rule.*

*Subd. 7. [WORK AREAS.] A class E licensee shall provide at no cost to the commission suitable work areas for commission members, officers, employees, and agents, including agents of the division of gambling enforcement, who are directed or requested by the commission to supervise and control wagering at the licensed simulcast facility.*

Sec. 15. Minnesota Statutes 1990, section 240.10, is amended to read:

240.10 [LICENSE FEES.]

The fee for a class A license is \$10,000 per year. The fee for a class B license is \$100 for each assigned racing day on which racing is actually conducted, and \$50 for each ~~assigned televised racing day on which televised racing simulcasting is authorized and actually conducted takes place.~~ The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. *The fee for a class E license is \$500 per year.* Fees imposed on class B and class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 16. Minnesota Statutes 1990, section 240.11, is amended to read:

240.11 [LICENSES NONTRANSFERABLE.]

A license issued under ~~Laws 1983,~~ this chapter ~~214~~ may not be transferred.

Sec. 17. Minnesota Statutes 1990, section 240.13, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under ~~subdivision 6 or 6a~~ this section.

*A class B or class E license gives the licensee the authority to transmit and receive telecasts and conduct pari-mutuel betting on the results of horse races run at its class A facility, and of other horse races run at locations outside of the state, as authorized by the commission. A class E licensee must present, for pari-mutuel wagering purposes, all live horse races conducted at its class A facility. The class B or class E licensee may present racing programs separately or concurrently.*

*Subject to the approval of the commission, for simulcasts and telerace simulcasts the types of betting, takeout, and distribution of winnings on pari-mutuel pools of a class B or class E facility are those in effect at the sending racetrack. Pari-mutuel pools accumulated at a class E facility must be commingled with the pools at the class A facility for comparable pools on those races that are being simultaneously presented at both facilities. Pari-mutuel pools may be commingled with pools at the sending racetrack, for the purposes of determining odds and payout prices, via the totalizator computer at the class A facility.*

*The commission may not authorize a class B or class E licensee to conduct simulcasting or telerace simulcasting unless 125 days of live racing, consisting of not less than eight live races on each racing day, have been conducted at the class A facility within the preceding 12 months. The number of live racing days required may be adjusted by agreement between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The number of live racing days required must be reduced by one day for each assigned racing day that the licensee is unable to conduct live racing due to natural occurrences or catastrophes beyond its control.*

Sec. 18. Minnesota Statutes 1990, section 240.13, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] A licensee conducting pari-mutuel betting must provide at the licensed track *or at the teleracing facility*:

- (a) the necessary equipment for issuing pari-mutuel tickets; and
- (b) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

Sec. 19. Minnesota Statutes 1990, section 240.13, subdivision 3, is amended to read:

Subd. 3. [TYPES OF BETTING.] The commission shall by rule designate those types of pari-mutuel pools which are permitted at licensed racetracks and teleracing facilities, and no licensee may conduct any type of pari-mutuel pool which has not been so designated, ~~except as provided for in subdivision 6a.~~ *Pari-mutuel pools permitted at licensed racetracks and pari-mutuel pools designated by the commission are permitted at teleracing facilities.*

Sec. 20. Minnesota Statutes 1990, section 240.13, subdivision 4, is amended to read:

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to not more than 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to not more than 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of ~~20~~ 10 cents, with a minimum payoff of ~~\$2.20~~ \$1.10 on a \$2 \$1 ticket, except that the licensee

may reduce the minimum payoff to ~~\$2.10~~ \$1.05 on a ~~\$2~~ \$1 ticket if there is not a sufficient amount in a pool to make a minimum payoff of ~~\$2.20~~ \$1.10.

Sec. 21. Minnesota Statutes 1990, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) ~~For a licensee conducting a racing meeting with an average daily handle of \$500,000 or less, four percent of the average daily handle times the number of racing days in that meeting.~~

(2) ~~For a licensee conducting a racing meeting with an average daily handle of more than \$500,000 but not more than \$750,000, six percent of the average daily handle times the number of racing days in that meeting.~~

(3) ~~For a licensee conducting a racing meeting with an average daily handle of more than \$750,000, 8.4 percent of the first \$1 million in average daily handle times the number of racing days in that meeting.~~

*(1) for live races conducted at a class A facility, and for races that are part of full racing card simulcasting or full racing card telerace simulcasting that takes place within the time period of the live races, 8.4 percent;*

*(2) for simulcasts and telerace simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and*

*(3) for simulcasts and telerace simulcasts conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools; provided, however, that in the event that wagering on simulcasts and telerace simulcasts outside of the racing season exceeds \$125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between \$125,000,000 and \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.*

The commission may by rule provide for the administration and enforcement of this subdivision. *The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three*

*percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.*

*In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state.*

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

*(d) Money set aside for purses from wagering, during the racing season, on simulcasts and telerace simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts and telerace simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.*

*(e) Money set aside for purses from wagering on simulcasts and telerace simulcasts must be used for purses for live races involving the same breed involved in the simulcast or telerace simulcast except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.*

*(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.*

*(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that*

*generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses must be distributed proportionately to those breeds that have run during the preceding 12 months.*

Sec. 22. Minnesota Statutes 1990, section 240.13, subdivision 6, is amended to read:

Subd. 6. ~~[TELEVISED RACES SIMULCASTING.]~~ (a) ~~The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:~~

~~(1) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race; and~~

~~(2) the licensee may pay the costs of transmitting the broadcast of the race.~~

~~(b) Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections. In lieu of the purse requirement established by subdivision 5, the licensee shall set aside for purses one-half of the takeout from the amount bet on televised races after the payment of fees and taxes. For the purposes of purse distribution under subdivision 5, the average daily handle shall not include amounts bet in pari-mutuel pools on televised races.~~

~~(c) A licensee may, with the approval of the commission, transmit telecasts of races the licensee conducts, for wagering purposes, to a location outside the state. The commission may allow the licensee to commingle its wagering pools with the wagering pools at a facility located outside of this state that is regulated by a state racing commission, when it transmits telecasts under this paragraph. The commission may permit an authorized licensee to conduct simulcasting or telerace simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts and telerace simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. In addition to teleracing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven teleracing programs per week during the racing season, unless additional telerace simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. The licensee may pay fees and costs~~

to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

Except as otherwise provided in this section, simulcasting and telerece simulcasting may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting and telerece simulcasting except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizer computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding sections 240.13, subdivision 7, and 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting and telerece simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event. That portion of the takeout allocated for purses from pari-mutuel pools generated by wagering on standardbreds must be set aside and must be paid to the racing commission and used for purses as otherwise provided by this section or to promote standardbred racing or both, in a manner prescribed by the commission. In the event that a licensee conducts live standardbred racing, pools generated by live, simulcast, or telerece simulcasting at the licensee's facilities on standardbred racing are subject to the purse set aside requirements otherwise provided by law.

Contractual agreements between licensees and horsepersons' organizations entered into before the effective date of this subdivision, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.

Sec. 23. Minnesota Statutes 1990, section 240.13, subdivision 8, is amended to read:

Subd. 8. [PROHIBITED ACTS.] A licensee may not accept a bet from

any person under the age of 18 years; and a licensee may not accept a bet of less than \$2 \$1.

Sec. 24. Minnesota Statutes 1990, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 *except that all money generated by full racing card simulcasts, or full racing card telerace simulcasts of races not conducted in this state, must be distributed as provided in section 240.18, clause (2), paragraphs (a), (b), and (c).* Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 25. Minnesota Statutes 1990, section 240.16, subdivision 1a, is amended to read:

Subd. 1a. [~~TELEVISED RACING DAY SIMULCAST.~~] ~~All races on which pari-mutuel betting is conducted on televised racing days must be presided over by an official of the commission. The official of the commission presiding over races conducted on televised racing days has the powers and duties as provided by rule. All simulcasts and telerace simulcasts are subject to the regulation of the commission. The commission may assign an official to preside over these activities and, if so assigned, the official has the powers and duties provided by rule.~~

Sec. 26. Minnesota Statutes 1990, section 240.19, is amended to read:  
240.19 [CONTRACTS.]

The commission shall by rule require that all contracts entered into by a class A, class B, ~~or~~ class D, *or class E* licensee for the provision of goods or services, including concessions contracts, be subject to commission approval. The rules must require that the contract include an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 27. Minnesota Statutes 1990, section 240.23, is amended to read:  
240.23 [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in ~~Laws 1983, this chapter 214,~~ to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;



(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, ~~and~~ class D, *and class E* licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts; ~~and~~

(i) *the operation of telercing facilities; and*

(j) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 28. Minnesota Statutes 1990, section 240.25, subdivision 2, is amended to read:

Subd. 2. [OFF-TRACK BETS.] (a) No person shall:

(1) for a fee, directly or indirectly, accept anything of value from another to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races, or for a fee deliver anything of value which has been received outside of the enclosure of a licensed racetrack holding a race meet licensed under this chapter *or a telercing facility*, to be placed as wagers in the pari-mutuel system of wagering on horse racing within the enclosure *or facility*; or

(2) give anything of value to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races to another who charges a fee, directly or indirectly, for the transmission or delivery.

(b) *Nothing in this subdivision prohibits the conducting of pari-mutuel wagering at a licensed telercing facility.*

Sec. 29. Minnesota Statutes 1990, section 240.27, is amended to read:

240.27 [EXCLUSION OF CERTAIN PERSONS.]

Subdivision 1. [PERSONS EXCLUDED.] The commission may exclude from any and all licensed racetracks *or licensed telercing facilities* in the state a person who:

(a) has been convicted of a felony under the laws of any state or the United States;

(b) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(c) is determined by the commission, on the basis of evidence presented to it, to be a threat to the integrity of racing in Minnesota.

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any

or all licensed racetracks *or licensed teleracing facilities* in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If present at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks *or licensed teleracing facilities*, the commission shall send a copy of the order to the excluded person and to all racetracks *or teleracing facilities* named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack *or a teleracing facility* named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack *or a teleracing facility* knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing *or operate a teleracing facility* may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises *or teleracing facility* may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack *or teleracing facility* making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20.

Sec. 30. Minnesota Statutes 1990, section 240.28, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by the division who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack *or a licensed teleracing facility*, including concessions contracts. No member of the commission or employee of the division may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member of the commission or employee of the division may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Sec. 31. Minnesota Statutes 1990, section 240.29, is amended to read:

240.29 [REQUIRED RACES.]

Each holder of a class B or D license must declare and schedule, on each racing day it conducts, ~~except for televised racing days,~~ at least one race which:

(a) ~~before January 1, 1988, is limited to horses which are Minnesota-bred, Minnesota foaled, or Minnesota-owned, and~~

(b) on and after January 1, 1988, is limited to horses which are Minnesota-bred or Minnesota-foaled.

If there is not a sufficient number of such horses entered in the declared race to make up an adequate slate of entries, another similarly restricted race may be substituted.

The commission shall by rule define "Minnesota-bred," "Minnesota-foaled," and "Minnesota-owned."

Sec. 32. [APPROPRIATION.]

*\$234,000 is appropriated from the general fund to the racing commission to license teleracing facilities. \$88,000 is for fiscal year 1992 and \$146,000 is for fiscal year 1993. The approved complement of the racing commission is increased by two positions in fiscal year 1992 and one additional position in fiscal year 1993.*

Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; and 240.14, subdivision 1a, are repealed.*

Sec. 34. [EFFECTIVE DATE.]

*Sections 1 to 31 and 33 are effective the day following the final enactment.*

ARTICLE 2

MISCELLANEOUS"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Metzen	Samuelson
Bertram	Frederickson, D.J.	Laidig	Mondale	Solon
Brataas	Frederickson, D.R.	Langseth	Novak	Stumpf
Cohen	Gustafson	Lessard	Pogemiller	Traub
Davis	Hottinger	McGowan	Price	
Flynn	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Beckman	Bernhagen	Knaak	Pariseau	Storm
Belanger	Day	Luther	Ranum	Vickerman
Benson, D.D.	DeCramer	Marty	Reichgott	
Benson, J.E.	Dicklich	Merriam	Riveness	
Berg	Finn	Neuville	Sams	
Berglin	Kelly	Pappas	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend the Kroening amendment to S.F. No. 506 adopted by the Senate May 14, 1991, as follows:

Page 5, line 17, delete "six" and insert "three"

Page 5, line 18, delete "two" and insert "one"

The question was taken on the adoption of the Berg amendment to the Kroening amendment.

The roll was called, and there were yeas 34 and nays 22, as follows:

## Those who voted in the affirmative were:

Beckman	Cohen	Johnson, D.E.	Merriam	Price
Belanger	Day	Johnston	Moe, R. D.	Ranum
Benson, D.D.	DeCramer	Kelly	Neuville	Reichgott
Benson, J.E.	Finn	Knaak	Olson	Riveness
Berg	Frederickson, D.J.	Luther	Pappas	Storm
Berglin	Gustafson	Marty	Pariseau	Vickerman
Bernhagen	Halberg	McGowan	Piper	

## Those who voted in the negative were:

Adkins	Frank	Langseth	Novak	Stumpf
Bertram	Frederickson, D.R.	Lessard	Renneke	Traub
Brataas	Hottinger	Mehrkens	Sams	
Davis	Kroening	Metzen	Samuelson	
Flynn	Laidig	Mondale	Solon	

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Riveness moved to amend S.F. No. 506 as follows:

Page 10, lines 16 and 17, strike "less the tax imposed by section 349.212, subdivision 6,"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend the Kroening amendment to S.F. No. 506 adopted by the Senate May 14, 1991, as follows:

Page 8, line 22, delete "\$500" and insert "\$1,000"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Luther moved to amend S.F. No. 506 as follows:

Page 26, after line 33, insert:

"Sec. 35. Minnesota Statutes 1990, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. *A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.*

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants who have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501, as a precondition to the chance of being selected, is not a lottery if:

(1) all of the persons eligible to be selected are employed by or retirees of the employer;

(2) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer; and

(3) the total amount actually expended by the employer to obtain the property or other rewards or benefits distributed by the employer during the calendar year does not exceed \$500."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, delete "prohibition" and insert "prohibitions" and after "chance" insert "and lotteries"

Page 1, line 34, delete the first "subdivision" and insert "subdivisions 1 and"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend the fourth Berg amendment to S.F. No. 506 as follows:

Page 1, line 2, delete "\$3,000" and insert "\$1,500"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Stumpf
Bertram	Finn	Knaak	Mondale	Traub
Brataas	Frank	Langseth	Novak	Vickerman
Chmielewski	Halberg	Lessard	Renneke	
Davis	Johnson, J.B.	Mehrkens	Sams	

Those who voted in the negative were:

Beckman	DeCramer	Kroening	Neuville	Spear
Belanger	Flynn	Laidig	Olson	Storm
Benson, J.E.	Frederickson, D.R.	Luther	Pappas	
Berg	Gustafson	Marty	Pariseau	
Berglin	Hottinger	McGowan	Piper	
Bernhagen	Johnson, D.E.	Moe, R.D.	Riveness	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 819, which the committee recommends to pass with the following amendment offered by Mrs. Brataas:

Page 1, line 20, delete "*who are*" and insert "*with mental illness.*"

Page 1, delete line 21

Page 2, line 3, delete "*who are*" and insert "*with mental illness.*"

Page 2, delete line 4

The motion prevailed. So the amendment was adopted.

S.F. No. 966, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 4, after line 16, insert:

"Sec. 2. [LAKE MARIA STATE PARK; LIMITED TERM LEASE.]

*Notwithstanding Minnesota Statutes, sections 85.011, 85.012, 85.053, 86A.05, and 92.50, the commissioner of natural resources may lease up to five acres of land in Lake Maria state park to the party who deeded the land to the state for park purposes if the commissioner determines that:*

*(1) the lease will not impair public use of the park; and*

*(2) use of the leased land by the lessee will have minimal impact on the park.*

*The lease must have a term of not more than ten years, must not be renewable, and may include additional terms and conditions agreed to by the parties."*

Page 5, line 28, delete "*and 2*" and insert "*to 3*"

Page 5, line 29, delete "*4*" and insert "*5*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the leasing of land in Lake Maria state park;"

The motion prevailed. So the amendment was adopted.

H.F. No. 833, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 833, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 579.)

Pages 21 to 40, delete article 2 and insert:

## "ARTICLE 2

## AGRICULTURAL DEVELOPMENT BONDS

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 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 chapter 41C 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.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 3 to 14 may be released as required by federal tax law.*

Sec. 3. [41C.01] [SHORT TITLE.]

*This chapter shall be called and may be cited as the "Minnesota agricultural development act."*

Sec. 4. [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. 5. [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. 6. [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. 7. [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 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, depreciable agricultural property, and real and personal property for an agricultural business enterprise. 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. 8. [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. 9. [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. 10. [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. [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. 5. [ANNUAL REPORT.] The authority shall cause to be delivered to the finance committees in the legislature 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. 11. [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. 12. [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. 13. [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.*

Sec. 14. [41C.12] [APPLICATION AND ORIGINATION FEE.]

*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 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority shall review the fees annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to the general fund.*

Sec. 15. [41C.13] [RULES.]

*The authority may adopt rules for the administration of this chapter.*

Sec. 16. 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 3 to 14.*

Sec. 17. 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 3 to 14*;
- (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. 18. 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 \$15,000,000 must be reserved for the *agricultural development bond beginning farmer and agricultural business enterprise loan program authorized under sections 3 to 14*;

(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. 19. 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. 20. 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 ~~man-~~~~ufacturing~~ *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. 21. 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. 22. 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. 23. 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~~ *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.

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. 24. 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. 25. [APPROPRIATION.]**

*(a) \$300,000 is appropriated from the general fund to the commissioner of finance for developing and promoting the agricultural development bond program. \$150,000 is for fiscal year 1992 and \$150,000 is for fiscal year 1993.*

*(b) The approved complement of the department of finance is increased by two positions."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Pogemiller introduced—

S.F. No. 1571: A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

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

**MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today from 12:00 noon to 12:55 p.m. Mr. Johnson, D.J. was excused from the Session of today at 1:30 p.m. Mr. Halberg was excused from the Session of today from 12:30 to 1:30 p.m. Mr. Hughes was excused from the Session of today at 5:30 p.m. Ms. Berglin was excused from the Session of today from 5:30 to 6:00 p.m. Mr. Sams was excused from the Session of today from 5:45 to 6:10 p.m. Ms. Johnson, J.B. was excused from the Session of today from 6:00 to 7:00 p.m. Mrs. Pariseau was excused from the Session of today from 2:30 to 3:00 p.m. and 5:00 to 5:30 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Pogemiller; Price; Frederickson, D.J. and Ms. Reichgott.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 15, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, May 15, 1991

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

### CALL OF THE SENATE

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

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

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

Adkins	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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 13, 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
	806	67	3:30 p.m. May 10	May 10

Sincerely,  
Joan Anderson Growe  
Secretary of State

May 13, 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. 593 and 1074.

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 Files, herewith returned: S.F. Nos. 132 and 397.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 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. 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.

Senate File No. 350 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1991

Mr. Luther moved that S.F. No. 350 be laid on the table. The motion prevailed.



Mr. President:

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

S.F. No. 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.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

Senate File No. 621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1991

Mr. Luther moved that S.F. No. 621 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 21:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bertram, McEachern and Onnen have been appointed as such committee on the part of the House.

House File No. 21 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Moe, R.D. moved that H.F. No. 21 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 126:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Johnson, R.; Hasskamp and Kinkel have been appointed as such committee on the part of the House.

House File No. 126 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Moe, R.D. moved that H.F. No. 126 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 236:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Solberg, Wagenius and Seaberg have been appointed as such committee on the part of the House.

House File No. 236 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Kelly moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 236, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 683:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jacobs, Janezich and Boo have been appointed as such committee on the part of the House.

House File No. 683 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Moe, R.D. moved that H.F. No. 683 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 693:

H.F. No. 693: A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, 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; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Pugh and Swenson have been appointed as such committee on the part of the House.

House File No. 693 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Ms. Ranum moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 693, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 922:

H.F. No. 922: 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; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Ostrom, Vellenga and Macklin have been appointed as such committee on the part of the House.

House File No. 922 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Frederickson, D.R. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 922, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1549:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wenzel, Omann and Bertram have been appointed as such committee on the part of the House.

House File No. 1549 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

Mr. Sams moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1549, 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. 12, 322, 996, 222, 1009, 1129, 658, 695, 303, 628, 1246 and 2.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1991

### FIRST READING OF HOUSE BILLS

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

H. F. No. 12: A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 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 a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing

coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

Mr. Moe, R.D. moved that H.F. No. 12 be laid on the table. The motion prevailed.

H.F. No. 322: A bill for an act relating to waste management expenditures; 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; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 257, now on General Orders.

H.F. No. 996: 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 Finance.

H.F. No. 222: A bill for an act relating to international trade; establishing a regional international trade service center pilot project; appropriating money.

Referred to the Committee on Finance.

H.F. No. 1009: 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 certain parks; authorizing the sale of certain deleted lands.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 966, now on the Calendar.

H.F. No. 1129: A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, 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; 116C.91, by adding a subdivision; and 116C.94; proposing coding for new law in Minnesota Statutes, chapters 18B; 18C; and 116C; proposing coding for new law as Minnesota Statutes, chapter 18F.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1194, now on General Orders.

H.F. No. 658: A bill for an act relating to economic development; appropriating money for a federal technical procurement project and for Minnesota Project Outreach Corporation.

Referred to the Committee on Finance.

H.F. No. 695: A bill for an act relating to domestic violence; battered women; providing that no filing fee shall be charged for issuing a domestic abuse order for protection except under certain circumstances; increasing the penalty for violating an order for protection; authorizing warrantless

arrests for violations at a place of employment; permitting the issuance of a new order based on violation of a prior order; increasing the probationary period for misdemeanor domestic assaults; clarifying and expanding the role of the battered women's advisory council; establishing a sexual assault advisory council; updating and correcting certain statutory provisions; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14, and by adding a subdivision; 609.135, subdivision 2; 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 Rules and Administration for comparison with S.F. No. 835.

H.F. No. 303: 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 3.195, subdivision 1; 16B.122; 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, subdivision 2; 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; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 256, now on the Calendar.

H.F. No. 628: A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 542, now on General Orders.

H.F. No. 1246: 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; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming

amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 944, now on General Orders.

H.F. No. 2: A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Finance.

### REPORTS OF COMMITTEES

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

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

S.F. Nos. 1569 and 1571 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 1569 to the Committee on Governmental Operations.

S.F. No. 1571 to the Committee on Redistricting.

Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 218 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.
				218	202

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 218 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 218 and insert the language after the enacting clause of S.F. No. 202, the fourth



engrossment; further, delete the title of H.F. No. 218 and insert the title of S.F. No. 202, the fourth engrossment.

And when so amended H.F. No. 218 will be identical to S.F. No. 202, and further recommends that H.F. No. 218 be given its second reading and substituted for S.F. No. 202, 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. 783 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.
	783		842		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 783 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 783 and insert the language after the enacting clause of S.F. No. 842, the second engrossment; further, delete the title of H.F. No. 783 and insert the title of S.F. No. 842, the second engrossment.

And when so amended H.F. No. 783 will be identical to S.F. No. 842, and further recommends that H.F. No. 783 be given its second reading and substituted for S.F. No. 842, 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. 321 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
	321		228		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 321 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 321 and insert the language after the enacting clause of S.F. No. 228, the second engrossment; further, delete the title of H.F. No. 321 and insert the title of S.F. No. 228, the second engrossment.

And when so amended H.F. No. 321 will be identical to S.F. No. 228,

and further recommends that H.F. No. 321 be given its second reading and substituted for S.F. No. 228, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 218, 783 and 321 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Larson introduced—

Senate Resolution No. 73: A Senate resolution congratulating Robert M. Bigwood for receiving the Fergus Falls Award of Honor.

Referred to the Committee on Rules and Administration.

Mr. Samuelson moved that H.F. No. 126 be taken from the table. The motion prevailed.

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.

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 126, 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. Bertram moved that H.F. No. 21 be taken from the table. The motion prevailed.

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.

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 21, 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. Moe, R.D. moved that H.F. No. 1 be taken from the table. The motion prevailed.

H.F. No. 1: A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990,

section 103G.221, subdivisions 2 and 3.

### 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. 1 and that the rules of the Senate be so far suspended as to give H.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

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

Mr. Davis moved to amend H.F. No. 1 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1, and insert the language after the enacting clause, and the title, of S.F. No. 3, the fourth engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend H.F. No. 1, as amended by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 3.)

Page 34, line 31, delete "*permitting authority*" and insert "*soil and water conservation district*"

The motion prevailed. So the amendment was adopted.

H.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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Mehrkens	Renneke
Belanger	DeCramer	Johnson, J.B.	Merriam	Riveness
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	Price	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Davis moved that S.F. No. 3, No. 55 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Solon moved that H.F. No. 683 be taken from the table. The motion prevailed.

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.

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 683, 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. Dahl moved that S.F. No. 621 be taken from the table. The motion prevailed.

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.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 621, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the

House. The motion prevailed.

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

S.F. No. 174: A bill for an act relating to education; revising certain open enrollment deadlines; amending Minnesota Statutes 1990, section 120.062, subdivisions 4 and 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1142: A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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.	Merriam	Reichgott
Belanger	Dicklich	Johnston	Metzen	Riveness
Benson, D.D.	Finn	Kelly	Moe, R.D.	Sams
Benson, J.E.	Flynn	Knaak	Mondale	Samuelson
Berg	Frank	Kroening	Morse	Solon
Berglin	Frederickson, D.J.	Laidig	Neuville	Spear
Bernhagen	Frederickson, D.R.	Langseth	Novak	Storm
Bertram	Gustafson	Larson	Olson	Stumpf
Chmielewski	Halberg	Lessard	Pappas	Traub
Cohen	Hottinger	Luther	Pariseau	Vickerman
Dahl	Hughes	Marty	Piper	Waldorf
Davis	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

H.F. No. 1190: A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Frank voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 300: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Hughes	Mondale	Sams
Berglin	Finn	Johnson, D.J.	Novak	Solon
Bertram	Flynn	Kelly	Pappas	Spear
Brataas	Frank	Knaak	Pariseau	Storm
Cohen	Frederickson, D.J.	Langseth	Piper	Stumpf
Dahl	Frederickson, D.R.	Luther	Ranum	Traub
Davis	Halberg	Metzen	Reichgott	Vickerman
DeCramer	Hottinger	Moe, R.D.	Riveness	Waldorf

Those who voted in the negative were:

Adkins	Chmielewski	Kroening	Mehrkens	Renneke
Belanger	Day	Laidig	Merriam	Samuelson
Benson, D.D.	Gustafson	Larson	Morse	
Benson, J.E.	Johnson, D.E.	Lessard	Neuville	
Berg	Johnson, J.B.	Marty	Olson	
Bernhagen	Johnston	McGowan	Price	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Storm
Brataas	Halberg	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 752: A bill for an act relating to education; providing for school consolidation 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 65 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	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Storm
Brataas	Halberg	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	Dicklich	Johnston	Mondale	Riveness
Belanger	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.	Langseth	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Halberg	Luther	Piper	Vickerman
Cohen	Hottinger	Marty	Pogemiller	Waldorf
Dahl	Hughes	McGowan	Price	
Davis	Johnson, D.E.	Mehrkens	Ranum	
Day	Johnson, D.J.	Metzen	Reichgott	

Mrs. Brataas voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1119: 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.

Was read the third time 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.	Mehrrens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Moe, R.D.	Renneke
Beckman	Finn	Kelly	Mondale	Riveness
Belanger	Flynn	Knaak	Morse	Samuelson
Benson, J.E.	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	
Day	Johnson, D.J.	Mehrrens	Ranum	
DeCramer	Johnson, J.B.	Metzen	Reichgott	

Messrs. Benson, D.D.; Berg; Davis and Sams voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 317: 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; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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. 958: 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.

Was read the third time 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. 833: 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.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 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.

Was read the third time 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	Knaak	Neuville	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Storm
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Halberg	Luther	Pogemiller	Waldorf
Chmielewski	Hottinger	Marty	Price	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 267: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	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

Mr. Frank voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 143: 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.

Was read the third time 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.

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, 2, and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; and 18.60.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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.

S.F. No. 559: A bill for an act relating to motor fuels; requiring the sale of oxygenated gasoline; changing a requirement for the agricultural alcohol gasoline tax reduction; amending Minnesota Statutes 1990, sections 239.76, by adding a subdivision; 296.01, by adding a subdivision; and 296.02, subdivision 8.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
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	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

Mr. Riveness voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, J.E.	Dahl	Larson	Renneke	Samuelson
Berglin	Knaak	Neuville		

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrrens	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	Knaak	Neuville	Samuelson
Berglin	Frank	Kroening	Novak	Solon
Bernhagen	Frederickson, D.J.	Laidig	Olson	Spear
Bertram	Frederickson, D.R.	Langseth	Pappas	Storm
Brataas	Gustafson	Larson	Pariseau	Stumpf
Chmielewski	Halberg	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 961: A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 5, 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	Novak	Solon
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

Those who voted in the negative were:

Gustafson	Knaak	Neuville	Spear	Waldorf
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So the bill passed and its title was agreed to.

S.F. No. 506: A bill for an act relating to lawful gambling; lotteries; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; 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 requirements relating to posting of pull-tab winners; 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; changing requirements relating to lottery advertising; clarifying the prohibitions on video games of chance and lotteries; authorizing dissemination of information about lotteries conducted by adjoining states; imposing surcharges on lawful gambling premises permit fees; establishing a task force on compulsive gambling assessments; appropriating money; amending Minnesota Statutes 1990, sections 240.13, subdivision 2; 245.98, by adding a subdivision; 290.05, subdivision 3; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivision 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 349A.10, subdivision 3; 609.115, by adding a subdivision; 609.75, subdivisions 1 and 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; 349A.02, subdivision 5; and 349A.03, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski	Knaak	Merriam	Sams	Samuelson
Finn	Luther	Reichgott		

So the bill passed and its title was agreed to.

S.F. No. 720: 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; 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; 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; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, 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, 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, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 2:00 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Hottinger moved that the following members be excused for a Conference Committee on S.F. No. 81 at 2:00 p.m.:

Mrs. Adkins, Messrs. Day and Hottinger. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 880 at 2:00 p.m.:

Messrs. Kroening, McGowan and Spear. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 119, No. 28 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Berg moved that S.F. No. 134, No. 3 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Berg moved that S.F. No. 324, No. 8 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Kelly moved that S.F. No. 766, No. 16 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Frederickson, D.R. moved that S.F. No. 1087, No. 46 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Marty moved that S.F. No. 237, No. 7 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. DeCramer moved that S.F. No. 1175, No. 13 on General Orders, be

stricken and returned to its author. The motion prevailed.

Mr. Lessard moved that S.F. No. 295, No. 34 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Luther moved that S.F. No. 875, No. 15 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 236: Messrs. Kelly, Luther and Knaak.

H.F. No. 1549: Messrs. Sams, Bertram and Davis.

H.F. No. 693: Ms. Ranum, Messrs. Knaak and Merriam.

H.F. No. 126: Messrs. Samuelson, Finn and Mehrkens.

H.F. No. 683: Messrs. Solon, Metzen and Belanger.

H.F. No. 21: Messrs. Bertram, Bernhagen and Ms. Johnson, J.B.

H.F. No. 922: Messrs. Frederickson, D.R.; Luther and Lessard.

S.F. No. 621: Messrs. Dahl, Merriam and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 719 from 1:00 to 2:00 p.m.:

Ms. Berglin, Messrs. Spear, Renneke, Solon and Samuelson. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Price moved that the following members be excused for a Conference Committee on S.F. No. 1027 at 2:00 p.m.:

Messrs. Price, Larson and Merriam. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 2:00 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 53 at 2:00 p.m.:

Messrs. Beckman, DeCramer, Mehrkens, Metzen and Langseth. The motion prevailed.

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. No. 398, which the committee recommends to pass.

S.F. No. 1440, which the committee recommends to pass with the following amendment offered by Mr. Cohen:

Page 1, line 11, delete "which"

Page 1, line 12, after "for" insert "traffic violations, penalties, and"

Page 1, line 13, after "lessee" insert "and"

The motion prevailed. So the amendment was adopted.

H.F. No. 887, which the committee recommends to pass with the following amendments offered by Messrs. Berg and Knaak:

Mr. Berg moved to amend H.F. No. 887, the unofficial engrossment, as follows:

Page 1, delete sections 1 and 2

Page 2, delete section 4

Page 2, line 34, delete "gray"

Pages 3 and 4, delete sections 6 to 10

Page 5, after line 8, insert:

"Sec. 6. [EXPERIMENTAL UNPROTECTED STATUS FOR RED FOX.]

*Subdivision 1. [TIME PERIOD.] Notwithstanding other law, until December 31, 1993, red fox has the status of an unprotected wild animal as defined in Minnesota Statutes, section 97A.015, subdivision 53, in the area described in subdivision 2.*

*Subd. 2. [AREA COVERED.] Subdivision 1 applies in that part of the state lying west and south of a line formed by Trunk Highway No. 72 from Baudette south to Blackduck, then continuing south on Trunk Highway 71 to the junction with Trunk Highway No. 19, then east to Red Wing.*

*Subd. 3. [REPORT.] The commissioner of natural resources shall report to the legislature by February 15, 1994, on the results of the designation of red fox as an unprotected wild animal under this section."*

Page 5, line 10, delete "12 and 13" and insert "4 to 6"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Spear moved to amend the Berg amendment to H.F. No. 887 as follows:

Page 1, delete lines 7 to 22

The question was taken on the adoption of the Spear amendment to the Berg amendment.

The roll was called, and there were yeas 20 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Knaak	Pariseau	Riveness
Berglin	Flynn	Luther	Pogemiller	Spear
Cohen	Johnson, D.J.	Marty	Ranum	Storm
Dahl	Johnson, J.B.	Mondale	Reichgott	Traub

Those who voted in the negative were:

Adkins	Brataas	Gustafson	Mehrkens	Sams
Benson, D.D.	Chmielewski	Hottinger	Moe, R.D.	Samuelson
Benson, J.E.	Day	Hughes	Neuville	Solon
Berg	DeCramer	Johnson, D.E.	Olson	Stumpf
Bernhagen	Frank	Johnston	Piper	Vickerman
Bertram	Frederickson, D.R.	Lessard	Renneke	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Berg amendment.

The roll was called, and there were yeas 38 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Novak	Samuelson
Belanger	Finn	Johnson, D.J.	Olson	Spear
Benson, J.E.	Frank	Johnston	Piper	Storm
Berg	Frederickson, D.J.	Lessard	Pogemiller	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Ranum	Traub
Bertram	Gustafson	Mehrkens	Renneke	Vickerman
Chmielewski	Hottinger	Mondale	Riveness	
Day	Hughes	Neuville	Sams	

Those who voted in the negative were:

Berglin	Flynn	Knaak	Pariseau	Reichgott
Cohen	Johnson, J.B.	Pappas		

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 887, the unofficial engrossment, as follows:

Pages 4 and 5, delete sections 12 to 14

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 16, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Johnson, D.J.	Mondale	Reichgott
Belanger	Frank	Johnson, J.B.	Novak	Riveness
Berglin	Frederickson, D.J.	Knaak	Olson	Sams
Cohen	Halberg	Laidig	Pappas	Spear
Davis	Hottinger	Luther	Piper	Traub
DeCramer	Hughes	Mehrkens	Price	Vickerman
Finn	Johnson, D.E.	Moe, R.D.	Ranum	

Those who voted in the negative were:

Adkins	Bernhagen	Gustafson	Lessard	Renneke
Benson, D.D.	Bertram	Johnston	Neuville	Storm
Benson, J.E.	Frederickson, D.R.	Larson	Pariseau	Stumpf
Berg				

The motion prevailed. So the amendment was adopted.

S.F. No. 982, which the committee recommends to pass with the following amendment offered by Mr. Bernhagen:

Page 2, line 9, after "governor" insert ", at least one of whom shall be a person from a public post-secondary system other than the University of Minnesota"

The motion prevailed. So the amendment was adopted.

H.F. No. 345, which the committee recommends to pass with the following amendments offered by Ms. Traub and Mr. McGowan:

Ms. Traub moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 3, line 20, after "(d)" insert "*Indictments or complaints for violation of sections 609.342 to 609.344 if the victim was 18 years old or older at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.*

(e)"

Page 3, line 24, strike "(e)" and insert "(f)"

Page 3, line 30, strike "(f)" and insert "(g)"

Page 3, line 35, strike "(g)" and insert "(h)"

Amend the title as follows:

Page 1, line 6, before the semicolon, insert "and in certain criminal sexual conduct cases involving an adult victim"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 3, lines 12 to 14, reinstate the stricken language

Page 3, line 15, reinstate the stricken "offense within this limitation period, within" and after the stricken "two" insert "three" and reinstate the stricken "years after"

Page 3, line 16, reinstate the stricken "the offense was reported to law enforcement authorities"

Page 3, lines 18 and 19, delete the new language

The motion prevailed. So the amendment was adopted.

S.F. No. 716, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 8, line 5, after the period, insert "*Notwithstanding section 518B.01, subdivision 7, paragraph (b), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 511, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, line 13, reinstate the stricken "purple loosestrife" and before "Eurasian" insert a comma and after "milfoil" insert a comma

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, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

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

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

Messrs. Larson and Renneke introduced—

S.F. No. 1572: A bill for an act relating to lawful gambling; removing the limitation on expenditures for real estate taxes and assessments; abolishing the combined receipts tax; regulating net profit reports; changing the tax rate on pull-tabs and tipboards; changing license terms and fees; regulating bingo card numbering; removing the requirement to post major pull-tab winners; removing the prohibition against checks for gambling purchases; amending Minnesota Statutes 1990, sections 349.12, subdivision 25; 349.15; 349.154, subdivision 2; 349.16, subdivisions 2 and 3; 349.165, subdivisions 1 and 3; 349.17, subdivision 5; and 349.212, subdivision 4; repealing Minnesota Statutes 1990, sections 349.172; 349.212, subdivision 6; and 349.2127, subdivision 7.

Referred to the Committee on Gaming Regulation.

Mr. Waldorf introduced—

S.F. No. 1573: A bill for an act relating to crime; providing for a neighborhood impact statement in presentence investigation reports; requiring notice to community residents, on request, when an offender is released from incarceration; amending Minnesota Statutes 1990, sections 609.115, subdivision 1; and 611A.06.

Referred to the Committee on Judiciary.

Messrs. Lessard; Johnson, D.J.; Moe, R.D.; Benson, D.D. and Dahl introduced—

S.F. No. 1574: A bill for an act relating to natural resources; forest practices on nonfederal forest lands; establishing a state board of forestry; an advisory board to the state board of forestry; setting forth general policies for timber management; prescribing methods of notification, actions for violations, appeals, and civil penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer, Merriam, Vickerman, Ms. Olson and Mr. Johnson, D.R. introduced—

S.F. No. 1575: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

Referred to the Committee on Transportation.

Messrs. DeCramer, Frank, Ms. Flynn, Messrs. Merriam and Johnson, D.E. introduced—

S.F. No. 1576: A bill for an act relating to transportation; requiring the metropolitan council to report on and recommend metropolitan transportation development; restricting planning and expenditures for light rail transit.

Referred to the Committee on Transportation.

Mrs. Benson, J.E.; Mr. Neuville, Mrs. Pariseau, Messrs. McGowan and Halberg introduced—

S.F. No. 1577: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, limiting the term of consecutive service of senators and representatives to 12 consecutive years.

Referred to the Committee on Elections and Ethics.

Ms. Pappas, Mr. Hottinger, Mrs. Adkins, Ms. Berglin and Mr. Gustafson introduced—

S.F. No. 1578: A bill for an act relating to drivers' licenses; increasing driver's license suspension periods and restricting issuance of limited licenses to persons convicted of driving while under the influence of alcohol or a controlled substance to comply with federal standards; amending Minnesota Statutes 1990, sections 169.121, subdivision 4; 169.123, subdivisions 2 and 4; and 171.30, by adding a subdivision.

Referred to the Committee on Judiciary.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 8:00 p.m. The motion prevailed.

The hour of 8:00 p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 607, which the committee recommends to pass.

H.F. No. 1542, which the committee recommends to pass with the following amendments offered by Mr. Dahl:

Amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, line 26, delete "*August 1, 1991*" and insert "*July 1, 1992*"

Page 2, line 6, delete "*August 1, 1991*" and insert "*July 1, 1992*"

Page 2, line 29, after "*if*" insert ": (i) *the motor vehicle in which the engine is replaced is not subject to the inspection requirement in section 116.61; or (ii)*"

Page 2, line 30, delete everything after "*with*"

Page 2, delete line 31

Page 2, line 32, delete the new language and insert "*section 2*"

Page 2, line 34, delete "*Sections 1 and 3 are*" and insert "*This act is*"

The motion prevailed. So the amendment was adopted.

Mr. Dahl then moved to amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, line 14, after "*replacement*" insert "*or rebuilding*"

Page 1, line 24, delete "*chassis*" and insert "*engine or the model year of the vehicle's chassis, whichever year is earlier*"



Page 1, line 25, after "exchanged" insert "or rebuilt"

Page 2, line 2, after "exchanged" insert "or rebuilt"

Page 2, line 13, delete everything before the comma and insert "an exchanged or rebuilt engine as set forth in this section"

Page 2, line 19, delete everything after "for" and insert "the year of the chassis."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 116.62, subdivision 7, is amended to read:

Subd. 7. {STUDIES; DATA COLLECTIONS; ANNUAL REPORT NEGOTIATIONS; REPORTS.} (a) The agency shall collect data and undertake studies necessary to evaluate the cost, effectiveness, and benefits of the motor vehicle inspection program. The agency shall compile data on failure rate, compliance rate, the number of certificates issued, and other similar matters.

(b) The agency shall negotiate with the federal Environmental Protection Agency to:

(1) set the nonattainment area for carbon monoxide to the smallest specific areas within the metropolitan area possible, beginning with Ramsey county and the city of Minneapolis; and

(2) receive in writing from the federal agency the specific actions necessary by the pollution control agency to make a showing that the emissions testing program under sections 116.60 to 116.65 is no longer necessary to meet the requirements of the federal Clean Air Act.

(c) The agency shall report on the operation of the motor vehicle inspection program and negotiations with the federal Environmental Protection Agency to the legislature by January 1, 1992, and every two years thereafter."

Page 2, line 34, delete "and 3" and insert ", 2, and 4"

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 32, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Frank	Johnston	Mehrkens	Pariseau
Bertram	Frederickson, D.R.	Larson	Metzen	Storm
Dahl	Gustafson	McGowan	Olson	Stumpf
Day				

Those who voted in the negative were:

Adkins	Flynn	Knaak	Morse	Riveness
Beckman	Frederickson, D.J.	Kroening	Pappas	Sams
Cohen	Hottinger	Lessard	Piper	Traub
Davis	Hughes	Luther	Pogemiller	Vickerman
DeCramer	Johnson, D.E.	Marty	Price	
Dicklich	Johnson, J.B.	Merriam	Ranum	
Finn	Kelly	Moe, R.D.	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau then moved to amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1990, section 116.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Beginning no later than July 1, 1991, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected annually for air pollution emissions as provided in sections 116.60 to 116.65.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 116.60 to 116.65 and received a certificate of compliance or a certificate of waiver.

*(d) The agency shall provide the registrar with the following information to be provided to the owner of a motor vehicle required to be inspected under sections 116.60 to 116.65 at the time of registration or renewal of registration: (1) the purpose of the inspection; (2) the cost of the inspection; (3) the expected average and the maximum repair costs; (4) the average waiting time for an inspection; and (5) the predicted overall reduction in carbon monoxide in the metropolitan area attributable solely to the inspection program.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 34, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Gustafson	Larson	Neuvillle	Pariseau
Day	Johnson, D.E.	McGowan	Olson	Storm
Frederickson, D.R.	Johnston			

Those who voted in the negative were:

Adkins	Dicklich	Kelly	Moe, R.D.	Ranum
Beckman	Finn	Knaak	Morse	Reichgott
Bertram	Flynn	Kroening	Novak	Riveness
Chmielewski	Frank	Langseth	Pappas	Sarns
Cohen	Hottinger	Luther	Piper	Traub
Davis	Hughes	Marty	Pogemiller	Vickerman
DeCramer	Johnson, J.B.	Metzen	Price	

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau then moved to amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1990, section 116.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Beginning no later than July 1, 1991, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected ~~annually~~ *every other year* for air pollution emissions as provided in sections 116.60 to 116.65. *Motor vehicles manufactured in odd-numbered model years must be inspected in odd-numbered years and motor vehicles manufactured in even-numbered model years must be inspected in even-numbered years.*

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 116.60 to 116.65 and received a certificate of compliance or a certificate of waiver.”

Page 2, after line 23, insert:

“Sec. 4. Minnesota Statutes 1990, section 116.64, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] Beginning January 1, 1991, ~~an annual~~ *a fee* established in accordance with the rules of the agency, not to exceed \$10, is imposed for the cost of the inspection of a motor vehicle at a public inspection station and such reinspections as the rules of the agency allow, the cost of the contract entered under section 116.62, subdivision 3, and the administrative costs of the agency and the department.”

Page 2, line 34, delete “Sections 1 and 3 are” and insert “This act is”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 28, as follows:

Those who voted in the affirmative were:

Benson, J.E. Chmielewski	Dahl Day	Johnston Olson	Pariseau	Storm
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Those who voted in the negative were:

Beckman	Flynn	Knaak	Morse	Riveness
Bertram	Frederickson, D.R.	Kroening	Pappas	Sams
Cohen	Hughes	Langseth	Piper	Traub
Davis	Johnson, D.E.	Marty	Pogemiller	Vickerman
DeCramer	Johnson, D.J.	Metzen	Ranum	
Finn	Johnson, J.B.	Moe, R.D.	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau then moved to amend H.F. No. 1542, as amended pursuant to Rule 49, adopted by the Senate May 1, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 116.62, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATES OF WAIVER.] (a) A certificate of waiver, valid for one year, must be issued for a motor vehicle following inspection if:

(1) a low emissions adjustment has been performed on the vehicle, following inspection and within 90 days prior to the renewal of registration, and

(2) either the estimated cost of repairs and adjustments necessary to bring the vehicle into compliance with emissions standards or the actual cost of repairs already performed on a vehicle in accordance with the inspection report under subdivision 3 exceeds ~~the repair cost limit~~ \$75.

(b) The following costs may not be considered in determining eligibility for waiver under paragraph (a):

(1) costs for repairs made under warranty; and

(2) costs necessary to repair or replace any emission control equipment that has been removed, dismantled, tampered with, misfueled, or otherwise rendered inoperative in violation of section 325E.0951, *not to exceed \$250.*

(c) ~~The repair cost limit is \$75 for vehicles manufactured before the 1984 model year, and \$200 for vehicles manufactured in the 1984 model year and after.~~

(d) A temporary certificate of waiver, valid for not more than 30 days, may be issued to a vehicle to allow time for inspection and necessary repairs and adjustments."

Page 2, line 34, delete "*Sections 1 and 3 are*" and insert "*This act is*"  
 Renumber the sections in sequence and correct the internal references  
 Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 30, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Frank	Kelly	McGowan	Olson
Dahl	Johnson, D.E.	Kroening	Mehrkens	Pariseau
Day	Johnston	Larson	Novak	Storm

Those who voted in the negative were:

Beckman	Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott
Berg	Finn	Knaak	Mondale	Riveness
Bertram	Flynn	Langseth	Pappas	Sams
Cohen	Hottinger	Luther	Piper	Spear
Davis	Hughes	Marty	Price	Traub
DeCramer	Johnson, D.J.	Metzen	Ranum	Vickerman

The motion did not prevail. So the amendment was not adopted.

H.F. No. 694, which the committee recommends to pass with the following amendments offered by Messrs. Dahl, Riveness and Berg:

Mr. Dahl moved to amend H.F. No. 694, the unofficial engrossment, as follows:

Page 18, line 27, before the semicolon, insert “, with intent to conceal information” and delete the first comma and insert “or” and after “conceals” delete the comma and insert a semicolon

Page 18, line 28, after “maintain” insert “with intent to conceal information;”

Page 18, line 31, delete “, 115A,”

Page 19, line 1, delete “, 115A,”

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend H.F. No. 694, the unofficial engrossment, as follows:

Page 18, delete lines 16 to 20

Page 20, line 18, after “subdivision” insert “or subdivision 6”

Page 20, line 36, delete “subdivision 8,” and insert “subdivisions 8 and 12”

Page 21, line 1, delete everything before “if”

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 694, the unofficial engrossment, as follows:

Page 10, delete line 30

The motion prevailed. So the amendment was adopted.

H.F. No. 702, which the committee recommends to pass with the following amendment offered by Mr. Davis:

Amend H.F. No. 702, the unofficial engrossment, as follows:

Page 2, after line 2, insert:

“Sec. 2. 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 in 1991 and an amount in subsequent years determined by multiplying \$200,000 by the cumulative inflation rate in years subsequent to 1991 as determined by the United States All-Items Consumer Price Index;

(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."

Page 15, after line 8, insert:

"Sec. 17. 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 state agency an opportunity to review and comment on the application for the federal permit. The board shall consult with local units of government and with private citizens before adopting any rules."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, before "authority" insert "Minnesota rural finance" and after the semicolon, insert "changing eligibility for the beginning farmer program;"

Page 1, line 6, after the first semicolon, insert "authorizing a permit exemption for a genetically engineered organism release;"

Page 1, line 8, after "1;" insert "41B.03, subdivision 3;" and after "41B.211;" insert "116C.94;"

The motion prevailed. So the amendment was adopted.

H. F. No. 977, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Amend H.F. No. 977, the unofficial engrossment, as follows:

Page 9, delete lines 4 to 12 and insert:

*"Subd. 3. [ADMINISTRATIVE ORDERS.] (a) In addition to authority under other law, the commissioner of the pollution control agency may issue an order that requires a violation of this chapter to be corrected. The order must allow a reasonable amount of time for the person to whom the order is issued to correct the violation.*

*(b) A person has 45 days from receipt of an order issued under this subdivision to notify the commissioner of the pollution control agency that the person intends to contest the order. If the person fails to notify the commissioner that the person intends to contest the order, the order is a final order and not subject to further judicial or administrative review.*

*(c) If the person notifies the commissioner that the person intends to contest the order, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases. The hearing must be conducted not later than 14 days after notification that a corrective action order is contested.*

*(d) Judicial review of a final decision in a contested case is available as provided in chapter 14.*

*Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of the pollution control agency may by order assess an administrative penalty of up to \$10,000 for violation of an order issued under subdivision 3.*

*(b) In determining the amount of the penalty, the commissioner shall consider the economic gain received by the person allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to human health and the environment, and the violator's culpability, good faith, and history of violations.*

*(c) If a person subject to an administrative penalty fails to pay the penalty by 30 days after the penalty order is issued, the commissioner may recover the penalty plus attorney fees and costs in a civil action in the name of the state brought in district court."*

Page 9, line 13, delete "The"

Page 9, delete line 14

Page 9, line 15, delete everything before "may" and insert "(a) For purposes of this subdivision, "ordering commissioner" means:

- (1) the commissioner of the pollution control agency;*
- (2) the commissioner of natural resources;*
- (3) the commissioner of agriculture; or*
- (4) two or more of these commissioners acting jointly.*

*(b) The ordering commissioner"*

Page 9, line 16, after "the" insert "ordering"

Page 9, line 19, after the first "the" insert "ordering" and delete everything after "commissioner" and insert a comma

Page 9, delete line 20

Page 9, line 21, delete "agriculture,"

Page 9, line 28, after the period, insert:

*"(c) The ordering commissioner may issue only one financial assurance*

*order under this subdivision for a single incident involving the discharge of hazardous substances or oil.*

(d)”

Page 9, line 30, after the period, insert:

“(e)”

Renumber the subdivisions in sequence

Page 11, line 27, delete “and”

Page 11, line 29, delete the period and insert “; and

*(5) the department of transportation, with respect to requirements related to the packaging, labeling, placarding, routing, and written reporting on releases of hazardous materials that are being transported.”*

Page 13, line 16, delete “and”

Page 13, line 18, delete the period and insert “; and

*(6) review, in consultation with the department of transportation, of the federal Hazardous Materials Transportation Uniform Safety Act of 1990, Public Law Number 101-615, and how it interacts with this act.”*

Correct the internal references

The motion prevailed. So the amendment was adopted.

S.F. No. 582, which the committee recommends be re-referred to the Committee on Commerce, after the following motion:

Mrs. Adkins moved to amend S.F. No. 582 as follows:

*Page 1, delete lines 14 to 16 and insert “that a municipality in which 500 or more tourist rooms are located may, by ordinance, extend closing hours stated in subdivision 2, clauses (1) and (2), to 2:00 a.m. The ordinance may not be adopted until after a public hearing has been held on the question. Notice must include the time and place of the hearing and must be given by publication in at least two issues of the official newspaper of the municipality. The two publications must be two weeks apart and the hearing must be held at least three days after the last publication.”*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 36, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kelly	Pappas	Samuelson
Berglin				

Those who voted in the negative were:

Beckman	Finn	Larson	Neuville	Riveness
Benson, J.E.	Frank	Lessard	Novak	Storm
Berg	Hottinger	Luther	Olson	Traub
Bertram	Hughes	Marty	Pariseau	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, J.B.	Metzen	Ranum	
Day	Johnston	Moe, R.D.	Reichgott	
DeCramer	Knaak	Mondale	Rennecke	

The motion did not prevail. So the amendment was not adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole,



as kept by the Secretary, was adopted.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Executive and Official Communications, Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

### **EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

April 10, 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:

#### **STATE BOARD OF EDUCATION**

John Plocker, Route 3, Box 107, Blue Earth, Faribault County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1995.

Thomas Peacock, 1507 Lockling Road, Cloquet, Carlton County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1995.

Kathleen L. Muellerleile, 719 Harriet Avenue, Owatonna, Steele County, Minnesota, has been appointed by me, effective May 1, 1991, for a term expiring on the first Monday in January, 1995.

(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 Files, herewith returned: S.F. Nos. 1164 and 1289.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 208 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Mehrkens moved that the Senate do not concur in the amendments by the House to S.F. No. 208, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 269 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

### CONCURRENCE AND REPASSAGE

Mr. Price moved that the Senate concur in the amendments by the House to S.F. No. 269 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 269: A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; appropriating money; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Knaak	Mondale	Price
Beckman	Frederickson, D.J.	Kroening	Morse	Ranum
Benson, J.E.	Hughes	Luther	Novak	Reichgott
Bertram	Johnson, D.J.	McGowan	Olson	Riveness
Dahl	Johnson, J.B.	Merriam	Pappas	Sams
DeCramer	Johnston	Metzen	Pariseau	Spear
Dicklich	Kelly	Moe, R.D.	Pogemiller	

Those who voted in the negative were:

Belanger	Davis	Johnson, D.E.	Neuville	Vickerman
Benson, D.D.	Day	Laidig	Piper	Waldorf
Berg	Flynn	Langseth	Renneke	
Berglin	Frank	Larson	Storm	
Bernhagen	Frederickson, D.R.	Lessard	Stumpf	
Chmielewski	Hottinger	Mehrkens	Traub	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 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.

Senate File No. 526 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Moe, R.D. moved that S.F. No. 526 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 551:

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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Hanson, Macklin, Seaberg, Solberg and Vellenga have been appointed as such committee on the part of the House.

House File No. 551 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1991

Mr. Finn moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 551, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1197:

H.F. No. 1197: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bauerly, Farrell and Gruenes have been appointed as such committee on the part of the House.

House File No. 1197 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1197, 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. 543, 734, 761, 1109, 540, 930, 1088 and 1387.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1991

### **FIRST READING OF HOUSE BILLS**

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

H.F. No. 543: A bill for an act relating to human services; providing funding for various pilot projects.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 819, now on the Calendar.

H.F. No. 734: 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.

Referred to the Committee on Finance.

H.F. No. 761: A bill for an act relating to education; permitting the state board of technical colleges to develop training materials for people who provide services to people with developmental disabilities; creating an advisory task force; requiring a report.

Referred to the Committee on Finance.

H.F. No. 1109: A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Finance.

H.F. No. 540: A bill for an act relating to crimes; regulating the display of handgun ammunition; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1227, now on General Orders.

H.F. No. 930: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 982, now on the Calendar.

H.F. No. 1088: A bill for an act relating to economic development; establishing the regional seed capital program; amending Minnesota Statutes 1990, section 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116O.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1037, now on General Orders.

H.F. No. 1387: A bill for an act relating to public administration; permitting certain leases; 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, sections 16B.61, by adding a subdivision; and 16B.24, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1286.

## REPORTS OF COMMITTEES

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

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

S.F. No. 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; proposing coding for new law in Minnesota Statutes, chapter 5.

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

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

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 do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-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. Report adopted.

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

S.F. No. 835: 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.

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

Page 3, line 16, delete “, *but shall receive*” and insert “*or expense reimbursement.*”

Page 3, delete line 17

Page 10, line 11, delete “, *but shall*” and insert “*or expense reimbursement.*”

Page 10, delete lines 12 and 13

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. 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.

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

Page 1, lines 14 and 15, reinstate the stricken language and delete the new language

Page 1, line 17, after "*person*" insert "*shall pay an additional surcharge of \$5 if the person is*" and after the first "*of*" insert "*(i)*" and after "*or*" insert "*(ii)*"

Page 1, line 19, delete everything after the second comma and insert "*or a prior conviction for an offense arising out of an arrest for a violation of section 169.121 or 169.129.*"

Page 1, line 20, delete the new language

Page 1, lines 22 and 24, after "*charge*" insert "*and surcharge*"

Page 2, lines 2 and 6, after "*charge*" insert "*and surcharge*"

Page 2, line 7, strike "*is*" and insert "*are*"

Page 3, line 18, delete "\$ . . . . ." and insert "\$164,000"

Page 3, line 19, delete everything after "*fund*" and insert "*start-up grants to counties or groups of counties for DWI repeat offender*"

Page 3, line 20, delete "*program*" and insert "*programs*" and delete "*expended*" and insert "*June 30, 1993*"

Page 3, line 21, delete "\$ . . . . ." and insert "\$50,000"

Page 3, line 23, before the period, insert "*, to be available until June 30, 1993*"

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

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

S.F. No. 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; establishing school prevention programs; providing for research and evaluation; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 126.031, subdivision 1; 145.924; 254A.16, by adding subdivisions; and 254A.17, subdivision 1, and by adding a subdivision; 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:

Page 1, delete lines 14 and 15

Pages 1 and 2, delete section 1

Page 2, line 9, delete "Sec. 2. [144.405]" and insert "Section 1. [144.401]"

Page 3, line 11, after "*previous*" insert "*successful*"

Page 3, delete lines 22 to 36

Page 4, delete lines 1 to 11

Page 4, line 12, delete "7" and insert "5"

Page 4, line 14, delete "*are*" and insert "*is*"

Pages 4 to 6, delete sections 3 to 7

Pages 6 to 8, delete articles 2 and 3

Delete the title and insert:

"A bill for an act relating to alcohol and drug abuse; establishing a community prevention grant program; proposing coding for new law in Minnesota Statutes, chapter 144."

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. 666: A bill for an act relating to agriculture; lowering the fee for licensed lawn service applicators; changing certain reimbursement figures and deadlines of the agricultural chemical response compensation board; amending Minnesota Statutes 1990, sections 18E.03, subdivision 4; 18E.04, subdivisions 4 and 5; and 18E.05, subdivision 3.

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

Page 1, line 21, strike everything after "1990"

Page 1, strike line 22

Page 1, line 23, strike "commissioner"

Page 3, after line 15, insert:

"Sec. 2. Minnesota Statutes 1990, section 18E.03, subdivision 5, is amended to read:

Subd. 5. [FEE AFTER 1990.] (a) The response and reimbursement fee for calendar years after calendar year 1990 consists of the surcharges in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually as required under subdivision 3. The amount of the surcharges shall be proportionate to the surcharges in subdivision 4.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, as a percent of gross sales of the pesticide in the state and sales of the pesticide for use in the state during the previous calendar year; ~~except the surcharge may not be imposed~~



~~on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based upon percent of annual gross sales is less than \$10.~~ 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 locations and the distributors.

(c) The commissioner shall impose a fee 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 application fee of persons licensed under chapters 18B and 18C consisting of:

(1) a surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, a political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

(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."

Page 4, after line 33, insert:

"Sec. 6. [APPROPRIATION.]

*\$400,000 is appropriated from the general fund to the regents of the University of Minnesota to continue the integrated pest management and research by agricultural experiment stations on the impact of agriculture on groundwater funded by Laws 1989, chapter 326, article 10, section 1, subdivision 9. \$200,000 is for fiscal year 1992 and \$200,000 is for fiscal year 1993. This appropriation is available only if matched by the University of Minnesota in an amount determined by the commissioner of finance to be adequate to maintain these activities at the fiscal year 1991 level."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing a surcharge on sanitizers and disinfectants; abolishing surcharges on pesticides that are less than \$10;"

Page 1, line 5, after the semicolon, insert "continuing integrated pest management and groundwater research; appropriating money;"

Page 1, line 7, delete "subdivision 4" and insert "subdivisions 4 and 5"

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. 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 22, delete "\$ . . . . ." and insert "\$30,000"

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

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

S.F. No. 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 19, delete "\$ . . . . ." and insert "\$1,000,000"

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

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

H.F. No. 571: 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 11A.24, subdivision 1; 356.71; 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 do pass. Report adopted.

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

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.

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

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

H.F. No. 1353: A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

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

H.F. No. 99: 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; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, 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 161.14, is amended by adding a subdivision to read:

*Subd. 25. [DISABLED AMERICAN VETERANS HIGHWAY.] That portion of Constitutional Route No. 3, known as trunk highway No. 61, from the easterly limits of the city of St. Paul to the boundary line between the states of Minnesota and Wisconsin is designated the "disabled American veterans highway." The roadside rest area on trunk highway No. 61 at Lake City is designated the disabled American veterans rest area. The commissioner of transportation shall adopt a suitable marking design to mark this highway and rest area and shall erect the appropriate signs.*

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."*

Delete the title and insert:

"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; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2."

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

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

H.F. No. 655: 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; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.73, subdivision 4a, is amended to read:

Subd. 4a. [REAR-END PROTECTION FOR OTHER VEHICLES.] (a) Vehicles other than private passenger vehicles, collector vehicles, collector military vehicles, and other vehicles specifically exempted by law from such requirements must meet the rear-end protection requirements of federal motor carrier regulations, Code of Federal Regulations, title 49, section 393.86.

(b) Notwithstanding contrary regulations cited in paragraph (a), a truck tractor and semitrailer combination with a semitrailer length longer than 50 feet whose frame or body extends more than 36 inches beyond the rear of its rearmost axle must not be operated on the highways of this state unless

*equipped with a bumper or underride guard on the extreme rear of the frame or body. The bumper or underride guard must:*

*(1) provide a continuous horizontal beam having a maximum ground clearance of 22 inches, as measured with the vehicle empty and on level ground; and*

*(2) extend to within four inches of the lateral extremities of the semitrailer on both left and right sides.*

Sec. 2. Minnesota Statutes 1990, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except mobile cranes which may not exceed 48 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except that a single semitrailer may have an overall length in excess of 48 feet but not greater than 53 feet if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet. No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length *in excess of 28-1/2 feet*, exclusive of:

*(1) non-cargo-carrying accessory equipment, including refrigeration units or air compressors and upper coupler plates, necessary for safe and efficient operation, mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor; and further exclusive of;*

*(2) the tow bar assembly, in excess of 28-1/2 feet; and*

*(3) lower coupler equipment that is a fixed part of the rear end of the first trailer.*

The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

Sec. 3. Minnesota Statutes 1990, section 169.81, subdivision 3, is amended to read:

Subd. 3. [LENGTH OF VEHICLE COMBINATIONS.] (a) Statewide,

except as provided in paragraph (b), no combination of vehicles coupled together, including truck-tractor and semitrailer, may consist of more than two units and no combination of vehicles, unladen or with load, may exceed a total length of 65 feet. The length limitation does not apply to the transportation of telegraph poles, telephone poles, electric light and power poles, piling, or pole length pulpwood, and is subject to the following further exceptions: the length limitations do not apply to vehicles transporting pipe or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in this subdivision, but with respect to night transportation, a vehicle and the load must be equipped with a sufficient number of clearance lamps and marker lamps on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load. Mount combinations may be drawn but the combinations may not exceed 65 feet in length. The limitation on the number of units does not apply to vehicles used for transporting milk from point of production to point of first processing, in which case no combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, may consist of more than three units and no combination of those vehicles may exceed a total length of 65 feet. Notwithstanding other provisions of this section, and except as provided in paragraph (b), no combination of vehicles consisting of a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats may exceed 65 feet in length. The load may extend a total of seven feet, but may not extend more than three feet beyond the front or four feet beyond the rear, and in no case may the overall length of the combination of vehicles, unladen or with load, exceed 65 feet. For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers. The state as to state trunk highways, and a city or town as to roads or streets located within the city or town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in this subdivision over highways, roads, or streets within their boundaries. Combinations of vehicles authorized by this subdivision may be restricted as to the use of highways by the commissioner as to state trunk highways, and a road authority as to highways or streets subject to its jurisdiction. Nothing in this subdivision alters or changes the authority vested in local authorities under the provisions of section 169.04.

(b) The following combination of vehicles regularly engaged in the transportation of commodities may operate only on divided highways having four or more lanes of travel, and on other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over the highway, for the purpose of providing reasonable access between the divided highways of four or more lanes of travel and terminals, facilities for food, fuel, repair, and rest, and points of loading and unloading for household goods carriers, livestock carriers, or for the purpose of providing continuity of route:

- (1) a truck-tractor and semitrailer exceeding 65 feet in length;
- (2) a combination of vehicles with an overall length exceeding 55 feet and including a truck-tractor and semitrailer drawing one additional semitrailer which may be equipped with an auxiliary dolly;
- (3) a combination of vehicles with an overall length exceeding 55 feet and including a truck-tractor and semitrailer drawing one full trailer; and



(4) a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats and exceeding an overall length of 65 feet including the load except as restricted by applicable federal law-; and

(5) a truck or truck-tractor transporting similar vehicles by having the front axle of the transported vehicle mounted onto the center or rear part of the preceding vehicle, defined in Code of Federal Regulations, title 49, sections 390.5 and 393.5 as drive-away saddlemount combinations or drive-away saddlemount vehicle transporter combinations, when the overall length exceeds 65 feet.

Vehicles operated under the provisions of this section must conform to the standards for those vehicles prescribed by the United States Department of Transportation, Federal Highway Administration, Bureau of Motor Carrier Safety, as amended.

Sec. 4. Minnesota Statutes 1990, section 169.825, subdivision 8, is amended to read:

Subd. 8. [PNEUMATIC-TIRED VEHICLES.] No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the high-ways of this state:

(a) Where the gross weight on any wheel exceeds 9,000 pounds, except that on designated local routes and state trunk highways the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) Where the gross weight on any single axle exceeds 18,000 pounds, except that on designated local routes and state trunk highways the gross weight on any single axle shall not exceed 20,000 pounds;

(c) Where the maximum wheel load:

(1) on the foremost and rearmost steering axles, exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(2) on other axles, exceeds 500 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

Clause (2) applies to new vehicles manufactured after August 1, 1991, and after August 1, 1996, to all vehicles.

(d) Where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross weight on any axle of a tridem may be up to 16,000 pounds provided the gross weight of the tridem combination does not exceed ~~37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of the tridem are spaced eight feet apart; and~~ 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart.

(e) Where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the group under consideration.

Sec. 5. Minnesota Statutes 1990, section 169.825, subdivision 10, is amended to read:

Subd. 10. [GROSS WEIGHT SCHEDULE.] (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; *unless otherwise noted*, the distance between axles being measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used:

Distances in feet between centers of fore- most and rear-most axles of a group	Maximum gross weight in pounds on a group of		
	2 consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	3 consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	4 consecutive axles of a 4-axle vehicle or any com- bination of vehicles having a total of 4 or more axles
4	34,000		
5	34,000		
6	34,000		
7	34,000	<del>41,500</del> 39,000	
8	34,000	<del>42,000</del> 39,000	
8 plus	34,000	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000) 36,000	43,500	49,000
11		44,500	49,500
12		45,000	50,000
13		46,000	51,000
14		46,500	51,500
15		47,500	52,000
16		48,000	53,000
17		49,000	53,500
18		49,500	54,000
19		50,500	55,000
20		51,000	55,500
21		52,000	56,000
22		52,500	57,000
23		53,500	57,500
24		54,000	58,000
25		(55,000)	59,000
26		(55,500)	59,500
27		(56,500)	60,000
28		(57,000)	61,000

29	(58,000)	61,500
30	(58,500)	62,000
31	(59,500)	63,000
32	(60,000)	63,500
33		64,000
34		65,000
35		65,500
36		66,000
37		67,000
38		67,500
39		68,000
40		69,000
41		69,500
42		70,000
43		71,000
44		71,500
45		72,000
46		72,500
47		(73,500)
48		(74,000)
49		(74,500)
50		(75,500)
51		(76,000)

*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.*

*"8 plus" refers to any distance greater than eight feet but less than nine feet.*

Maximum gross weight in pounds on a group of

	5	6	7
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any combination of vehicles having a total of 5 or more axles	consecutive axles of a combination of vehicles having a total of 6 or more axles	consecutive axles of a combination of vehicles having a total of 7 or more axles
14	57,000		
15	57,500		
16	58,000		
17	59,000		
18	59,500		
19	60,000		
20	60,500	66,000	72,000
21	61,500	67,000	72,500
22	62,000	67,500	73,000
23	62,500	68,000	73,500
24	63,000	68,500	74,000

25	64,000	69,000	75,000
26	64,500	70,000	75,500
27	65,000	70,500	76,000
28	65,500	71,000	76,500
29	66,500	71,500	77,000
30	67,000	72,000	77,500
31	67,500	73,000	78,500
32	68,000	73,500	79,000
33	69,000	74,000	79,500
34	69,500	74,500	80,000
35	70,000	75,000	
36	70,500	76,000	
37	71,500	76,500	
38	72,000	77,000	
39	72,500	77,500	
40	73,000	78,000	
41	(74,000)	79,000	
42	(74,500)	79,500	
43	(75,000)	80,000	
44	(75,500)		
45	(76,500)		
46	(77,000)		
47	(77,500)		
48	(78,000)		
49	(79,000)		
50	(79,500)		
51	(80,000)		

The gross weights shown in parentheses in this clause are permitted only on state trunk highways and routes designated under section 169.832, subdivision 11.

(b) Notwithstanding any lesser weight in pounds shown in this table but subject to the restrictions on gross vehicle weights in clause (c), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.

(c) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk highways as defined in section 160.02, subdivision 2, and for all routes designated under section 169.832, subdivision 11; and

(2) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11; and

(3) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11.

(d) ~~The maximum weights specified in this subdivision for five consecutive axles shall not apply to a combination of vehicles that includes a three axle semitrailer first registered before August 1, 1981. All other weight limitations in this section are applicable.~~

(e) The maximum weights specified in this subdivision for five consecutive axles shall not apply to a four axle ready mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this subdivision.

Sec. 6. Minnesota Statutes 1990, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); and

(5) special pulpwood vehicles described in section 169.863.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds)	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

*For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.*

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

Sec. 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."*

Delete the title and insert:

"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 semi-trailer 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; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 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. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1120, 780, 93, 835, 494, 414, 666, 1286 and 404 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 571, 354, 1353, 99 and 655 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 1571, from the Committee on Redistricting. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

## REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

S.F. No. 1571: A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

Reports the 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 2.031, subdivision 2, is amended to read:

Subd. 2. [DEFINITION.] The terms "county," "town," "township," "city," "ward," "precinct," "census tract," "block," and "unorganized territory" when used in a description of a legislative district in subdivision 1 means this act mean a geographical area established as such by law and as it existed for purposes of the ~~1980~~ 1990 federal census.

## Sec. 2. [2.043] [FIRST DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 1 consists of all of Kittson, Lake of the Woods, Marshall, Pennington, Red Lake, and Roseau Counties, and that portion of Polk County consisting of Angus Township, Belgium Township, Brandt Township, Brislet Township, the city of East Grand Forks, Esther Township, Euclid Township, Farley Township, Grand Forks Township, Helgeland Township, Higdem Township, Huntsville Township, Keystone Township, Northland Township, Rhinehart Township, Sandsville Township, Sullivan Township, and Tabor Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 1 is divided into two house districts as follows:*

*(a) House district 1A consists of that portion of senate district 1 not included in house district 1B.*

*(b) House district 1B consists of all of Pennington and Red Lake Counties, that portion of Polk County contained in senate district 1, and that portion of Marshall County consisting of the city of Alvarado, Boxville Township, Comstock Township, McCrea Township, Oak Park Township, the city of Oslo, Vega Township, the city of Viking, Viking Township, the city of Warren, and Warrenton Township.*

## Sec. 3. [2.053] [SECOND DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 2 consists of all of Clearwater, Mahnomen, and Norman Counties, that portion of Becker County not included in senate district 9 or 11, that portion of Beltrami County consisting of Alaska Township, Battle Township, Benville Township, the city of Blackduck, Buzzle Township, Cormant Township, Durand Township, the city of Funkley, Hagali Township, Hamre Township, Hines Township, Hornet Township, the city of Kelliher, Kelliher Township, Langor Township, Lee Township, Liberty Township, the unorganized territory of Lower Red Lake, Maple Ridge Township, Minnie Township, Nebish Township, the unorganized territory of North Beltrami, O'Brien Township, Quiring Township, Roosevelt Township, Shooks Township, Shotley Township, the unorganized territory of Shotley Brook, Spruce Grove Township, Steenerson Township, Summit Township, the unorganized territory of Upper Red Lake, Waskish Township, and Woodrow Township, that portion of Clay County consisting of the city of Felton, Felton Township, Flowing Township, the city of Georgetown, Georgetown township, Goose Prairie Township, Hagen Township, Keene Township, Kragnes Township, Morken Township, the city of Ulen, Ulen Township, and Viding Township, and that portion of Polk County not included in senate district 1.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 2 is divided into two house districts as follows:*

*(a) House district 2A consists of all of Norman County, that portion of Becker County consisting of Atlanta Township, Cuba Township, Hamden Township, Riceville Township, Spring Creek Township, and Walworth Township, that portion of Clay County in senate district 2, that portion of Mahnomen County consisting of the city of Bejou, Bejou Township, Chief Township, Gregory Township, the city of Mahnomen, Marsh Creek Township, Pembina Township, Popple Grove Township, Rosedale Township, and the city of Waubun, and that portion of Polk County consisting of Andover Township, Badger Township, the city of Beltrami, Bygland Township, the city of Climax, the city of Crookston, Crookston Township, the city of Erskine, Fairfax*

*Township, Fanny Township, the city of Fertile, the city of Fisher, Fisher Township, Garden Township, Garfield Township, Gentilly Township, Godfrey Township, Grove Park Township, Hammond Township, Hubbard Township, Kertsonville Township, King Township, Knute Township, Liberty Township, Lowell Township, the city of McIntosh, the city of Mentor, Nesbit Township, the city of Nielsville, Onstad Township, Parnell Township, Reis Township, Roome Township, Russia Township, Scandia Township, Sletten Township, Tilden Township, Tynsid Township, Vineland Township, the city of Winger, Winger Township, and Woodside Township.*

*(b) House district 2B consists of that portion of senate district 2 not included in house district 2A.*

Sec. 4. [2.063] [THIRD DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 3 consists of all of Itasca County except the unorganized territory of Bowstring Lake, that portion of Aitken County consisting of the city of Aitkin, Aitkin Township, Ball Bluff Township, Balsam Township, Cornish Township, Fleming Township, the city of Hill City, Hill Lake Township, Jevne Township, Libby Township, Logan Township, Macville Township, Morrison Township, the unorganized territory of Northeast Aitkin, the unorganized territory of Northwest Aitkin, the city of Palisade, Spencer Township, Turner Township, Verdon Township, Waukenabo Township, and Workman Township, that portion of Koochiching County not included in senate district 6, and that portion of St. Louis County consisting of Alango Township, Fine Lakes Township, the city of Floodwood, Floodwood Township, French Township, Halden Township, Linden Grove Township, the unorganized territory of McCormack Lake, Morcom Township, Prairie Lake Township, unorganized precinct numbers 62-21 and 59-21, West Sand Lake Precinct, and Sturgeon Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 3 is divided into two house districts as follows:*

*(a) House district 3A consists of that portion of senate district 3 not included in house district 3B.*

*(b) House district 3B consists of that portion of Aitkin County included in senate district 3, that portion of Itasca County consisting of Blackberry Township, the city of Bovey, the city of Coleraine, Feeley Township, Goodland Township, Grand Rapids Township, Greenway Township, Harris Township, Iron Range Township, the city of Keewatin, the unorganized territory of Little Sand Lake, Lone Pine Township, Nashwauk Township, Sago Township, Splithand Township, Trout Lake Township, the city of Warba, Wawina Township, and Wildwood Township, and that portion of St. Louis County consisting of Fine Lakes Township, the city of Floodwood, Floodwood Township, Halden Township, and Prairie Lake Township.*

Sec. 5. [2.073] [FOURTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 4 consists of all of Hubbard County, that portion of Beltrami County not included in senate district 2, that portion of Cass County not included in senate district 12, that portion of Itasca County not included in senate district 3, and that portion of Wadena County not included in senate district 11.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 4 is divided into two house districts as follows:*

*(a) House district 4A consists of that portion of Beltrami County in senate*

*district 4, and that portion of Hubbard County consisting of the city of Akely, Akely Township, Arago Township, Clay Township, Clover Township, Farden Township, Fern Township, Guthrie Township, Hart Lake Township, Helga Township, Hendrickson Township, Lake Alice Township, Lake Enima Township, Lake George Township, Lake Hattie Township, Lakeport Township, the city of Laporte, Mantrap Township, Rockwood Township, Schoolcraft Township, Steamboat River Township, Thorpe Township, and White Oak Township.*

*(b) House district 4B consists of that portion of senate district 4 not included in house district 4A.*

**Sec. 6. [2.083] [FIFTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 5 consists of that portion of St. Louis County consisting of Alborn Township, Angora Township, Arrowhead Township, Balkan Township, the city of Biwabik, Biwabik Township, the city of Brookston, the city of Buhl, Cedar Valley Township, Cherry Township, the city of Chisholm, Clinton Township, Colvin Township, Cotton Township, Culver Township, Ellsburg Township, Elmer Township, Embarrass Township, the city of Eveleth, Fayal Township, the city of Franklin, the city of Gilbert, Great Scott Township, the unorganized territory of Hay Lake, the unorganized territory of Heikkila Lake, the city of Hibbing, the city of Iron Junction, the unorganized territory of Janette Lake, Kelsey Township, Kugler Township, Lavell Township, the city of Leonidas, McDavitt Township, the city of McKinley, the city of Meadowlands, Meadowlands Township, the city of Mountain Iron, Ness Township, New Independence Township, Northland Township, Payne Township, Pike Township, the unorganized territory of Potshot Lake, Sandy Township, Stoney Brook Township, Toivola Township, Van Buren Township, Vermilion Lake Township, the city of Virginia, White Township, and Wuori Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 5 is divided into two house districts as follows:*

*(a) House district 5A consists of that portion of senate district 5 not included in house district 5B.*

*(b) House district 5B consists of that portion of St. Louis County consisting of Alborn Township, Arrowhead Township, Balkan Township, the city of Brookston, the city of Buhl, Cedar Valley Township, Cherry Township, the city of Chisholm, Clinton Township, Cotton Township, Culver Township, Ellsburg Township, Elmer Township, Great Scott Township, the city of Hibbing, the city of Iron Junction, the unorganized territory of Janette Lake, Kelsey Township, Lavell Township, McDavitt Township, the city of Meadowlands, Meadowlands Township, Ness Township, New Independence Township, Northland Township, Payne Township, the unorganized territory of Potshot Lake, Stoney Brook Township, Toivola Township, and Van Buren Township.*

**Sec. 7. [2.093] [SIXTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 6 consists of all of Cook and Lake Counties, that portion of Koochiching County consisting of the unorganized territory of Nett Lake, and that portion of St. Louis County not included in senate district 3, 5, 7, or 8.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 6 is divided into two house districts as follows:*

(a) House district 6A consists of that portion of senate district 6 not included in house district 6B.

(b) House district 6B consists of that portion of St. Louis County consisting of Alden Township, North Star Township, Normanna Township, Gnesen Township, Rice Lake Township, Lakewood Township, Duluth Township, Canosia Township, and Fredenburg Township, and that portion of the city of Duluth not included in senate district 7.

Sec. 8. [2.103] [SEVENTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 7 consists of that portion of St. Louis County consisting of that portion of the city of Duluth lying west and south of a line described as follows: commencing at the intersection of the northern boundary of the city of Duluth and Calvary Road, easterly along Calvary Road to Woodland Avenue, southerly along Woodland Avenue to Buffalo Street, easterly along Buffalo Street to Wallace Avenue, southerly along Wallace Avenue to 5th Street, westerly along 5th Street to 21st Avenue, southerly along 21st Avenue to 4th Street, westerly along 4th Street to 15th Avenue, southeasterly along 15th Avenue to 1st Street, westerly along 1st Street to 12th Avenue East, southeasterly along 12th Avenue East to London Road, northeasterly along London Road to 13th Avenue East, southerly along 13th Avenue East and its extension to Lake Superior.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 7 is divided into two house districts as follows:*

(a) House district 7A consists of that portion of senate district 7 lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of Duluth and Rice Lake Road, southerly and southeasterly along Rice Lake Road to Mesaba Avenue, southerly along Mesaba Avenue to 13th Street, easterly along 13th Street to 6th Avenue East, southerly along 6th Avenue East State Highway 194, southwesterly along State Highway 194 to Mesaba Avenue, southerly along Mesaba Avenue to Lake Avenue, northerly along Lake Avenue to 9th Street, southwesterly along 9th Street to 1st Avenue West, northwesterly along 1st Avenue West and its extension to the extension of Rudolph Avenue, westerly along Rudolph Avenue and its extension to Blackman Avenue, southerly along Blackman Avenue and Orange Avenue to 9th Street, southwesterly along 9th Street to Observation Road, northerly and westerly along Observation Road to Arlington Avenue, southerly along Arlington Avenue to U.S. Highway 53, southerly along U.S. Highway 53 to 14th Street, southwesterly along 14th Street to Miller Creek, southerly along Miller Creek to 6th Street, northeasterly along 6th Street to 22nd Avenue West, southeasterly along 22nd Avenue West to Superior Street, northeasterly along Superior Street to 21st Avenue West, southeasterly along 21st Avenue West and its extension to St. Louis Bay.

(b) House district 7B consists of that portion of senate district 7 not included in house district 7A.

Sec. 9. [2.113] [EIGHTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 8 consists of all of Carlton County, that portion of St. Louis County consisting of Brevator Township, the city of Hermantown, Industrial Township, Midway Township, the city of Proctor, and Solway Township, that portion of Aitkin county not included in senate district 3, and that portion of Pine County not included in senate district 18.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 8 is divided into two house districts as follows:*

*(a) House district 8A consists of that portion of St. Louis County included in senate district 8, and that portion of Carlton County consisting of the city of Carlton, the city of Cloquet, the city of Scanlon, the city of Thomson, Thomson Township, and Twin Lakes Township.*

*(b) House district 8B consists of that portion of senate district 8 not included in house district 8A.*

**Sec. 10. [2.123] [NINTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 9 consists of all of Wilkin County, that portion of Becker County consisting of the city of Audubon, Audubon Township, Cormorant Township, Lake Eunice Township, the city of Lake Park, and Lake Park Township, that portion of Clay County not included in senate district 2, and that portion of Otter Tail County consisting of Carlisle Township, Dunn Township, the city of Elizabeth, Elizabeth Township, the city of Erhard, Erhards Grove Township, Lida Township, Maplewood Township, Norwegian Grove Township, Orwell Township, Oscar Township, Pelican Township, the city of Pelican Rapids, the city of Rothsay, Scambler Township, Trondhjem Township, and Western Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 9 is divided into two house districts as follows:*

*(a) House district 9A consists of that portion of Clay county consisting of the city of Moorhead.*

*(b) House district 9B consists of that portion of senate district 9 not included in house district 9A.*

**Sec. 11. [2.133] [TENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 10 consists of that portion of Douglas County not included in senate district 11 or 13, that portion of Otter Tail County not included in senate district 9 or 11, that portion of Pope County consisting of the city of Glenwood, Glenwood Township, Grove Lake Township, Leven Township, the city of Long Beach, Minnewaska Township, Reno Township, the city of Villard, the city of Westport, and Westport Township, and that portion of Stearns County consisting of Ashley Township, Getty Township, Raymond Township, the city of Sauk Centre, and Sauk Centre Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 10 is divided into two house districts as follows:*

*(a) House district 10A consists of that portion of Douglas County consisting of the city of Evansville, Evansville Township, Leaf Valley Township, Lund Township, the city of Millerville, Millerville Township, the city of Miliona, Miliona Township, and that portion of Otter Tail County included in senate district 10.*

*(b) House district 10B consists of that portion of senate district 10 not included in house district 10A.*

**Sec. 12. [2.143] [ELEVENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 11 consists of all of Todd County, that portion of Becker County consisting of Burlington Township, Detroit Township, the city of Detroit Lakes, Erie Township, the*

city of Frazee, and Lake View Township, that portion of Douglas County consisting of Belle River Township, the city of Osakis, Osakis Township, and Spruce Hill Township, that portion of Otter Tail County consisting of Blowers Township, the city of Bluffton, Bluffton Township, Butler Township, Candor Township, Compton Township, Corliss Township, the city of Deer Creek, Deer Creek Township, the city of Dent, Dora Township, Eastern Township, Edna Township, Gorman Township, Hobart Township, Homestead Township, Newton Township, the city of New York Mills, Oak Valley Township, Otto Township, Paddock Township, the city of Perham, Perham Township, Pine Lake Township, the city of Vergas, the city of Wadena, and Woodside Township, that portion of Stearns County consisting of Melrose Township, Millwood Township, and the city of St. Rosa, and that portion of Wadena County consisting of the city of Aldrich, Aldrich Township, Bullard Township, Leaf River Township, Red Eye Township, Rockwood Township, the city of Sebeka, the city of Staples, Thomastown Township, the city of Verndale, the city of Wadena, Wadena Township, and Wing River Township.

*Subd. 2. [HOUSE DISTRICTS.] Senate district 11 is divided into two house districts as follows:*

*(a) House district 11A consists of that portion of Becker county included in senate district 11, that portion of Otter Tail County included in senate district 11, excluding Eastern Township, Oak Valley Township, and Woodside Township, and that portion of Wadena County consisting of Leaf River Township, Red Eye Township, Rockwood Township, the city of Sebeka, and the city of Wadena.*

*(b) House district 11B consists of that portion of senate district 11 not included in house district 11A.*

**Sec. 13. [2.153] [TWELFTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 12 consists of all of Crow Wing County, that portion of Cass County consisting of the cities of Motley and Pillager, and that portion of Morrison County not included in senate district 14 or 17.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 12 is divided into two house districts as follows:*

*(a) House district 12A consists of that portion of Crow Wing County consisting of the city of Brainerd, the city of Breezy Point, Center Township, the city of Crosby, the city of Crosslake, the city of Cuyuna, Dean Lake Township, the city of Emily, Fairfield Township, the city of Fifty Lakes, Gail Lake Township, Ideal Township, Irondale Township, the city of Ironton, the city of Jenkins, Jenkins Township, Lake Edwards Township, Little Pine Township, the city of Manhattan Beach, Mission Township, the city of Nisswa, Oak Lawn Township, Pelican Township, the city of Pequot Lakes, Perry Lake Township, Rabbit Lake Township, Ross Lake Township, Sibley Township, Timothy Township, the city of Trommald, the unorganized territory of West Crow Wing, and Wolford Township.*

*(b) House district 12B consists of that portion of senate district 12 not included in house district 12A.*

**Sec. 14. [2.163] [THIRTEENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 13 consists of all of Big Stone, Grant, Lac qui Parle, Stevens, Swift, and Traverse Counties, that portion of Chippewa County not included in senate district 15, that*

*portion of Douglas County consisting of Holmes City Township, the city of Kensington, Solem Township, and Urness Township, and that portion of Pope County not included in senate district 10 or 14.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 13 is divided into two house districts as follows:*

*(a) House district 13A consists of all of Grant, Stevens, and Traverse Counties, that portion of Big Stone County consisting of the city of Barry, Browns Valley Township, the city of Graceville, Graceville Township, Malta Township, Moonshine Township, and Toqua Township, that portion of Douglas County contained in senate district 13, that portion of Pope County contained in senate district 13, and that portion of Swift County consisting of the city of Appleton, Appleton Township, the city of Danvers, Edison Township, Fairfield Township, Hegbert Township, the city of Holloway, Marysland Township, Moyer Township, Shible Township, Tara Township, and West Bank Township.*

*(b) House district 13B consists of that portion of senate district 13 not included in house district 13A.*

**Sec. 15. [2.173] [FOURTEENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 14 consists of that portion of Benton County consisting of the cities of Rice and Sartell, that portion of Morrison County consisting of Bellevue Township, the city of Bowlus, the city of Elmdale, Elmdale Township, the city of Royalton, Swan River Township, Two Rivers Township, and the city of Upsala, that portion of Pope County consisting of Bangor Township, the city of Brooten, Lake Johanna Township, and the city of Sedan, and that portion of Stearns County not included in senate district 10, 11, or 16.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 14 is divided into two house districts as follows:*

*(a) House district 14A consists of that portion of senate district 14 not included in house district 14B.*

*(b) House district 14B consists of that portion of Pope County contained in senate district 14, and that portion of Stearns County consisting of the city of Belgrade, the city of Brooten, the city of Cold Spring, Collegeville Township, Crow Lake Township, Crow River Township, Eden Lake Township, the city of Elrosa, Fair Haven Township, Farming Township, the city of Freeport, the city of Greenwald, Grove Township, the city of Kimball Prairie, Lake George Township, the city of Lake Henry, Lake Henry Township, Luxemburg Township, Lynden Township, Maine Prairie Township, the city of Meire Grove, the city of Melrose, Munson Township, the city of New Munich, North Fork Township, Oak Township, the city of Paynesville, Paynesville Township, the city of Richmond, the city of Rockville, Rockville Township, the city of Roscoe, the city of St. Martin, St. Martin Township, the city of Spring Hill, Spring Hill Township, Wakefield Township, and Zion Township.*

**Sec. 16. [2.183] [FIFTEENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 15 consists of all of Kandiyohi and Renville Counties, that portion of Chippewa County consisting of the city of Granite Falls, and Granite Falls Township, that portion of McLeod County consisting of Collins Township, Lynn Township, and the city of Stewart, that portion of Meeker County consisting of Acton Township, the city of Cedar Mills, Cedar Mills Township, the city of Cosmos, Cosmos*



*Township, Danielson Township, Greenleaf Township, and the city of Grove City, and that portion of Yellow Medicine County consisting of the city of Granite Falls.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 15 is divided into two house districts as follows:*

*(a) House district 15A consists of that portion of Kandiyohi County consisting of Arctander Township, Burbank Township, Colfax Township, Dovre Township, Green Lake Township, Harrison Township, Irving Township, the city of Kandiyohi, Kandiyohi Township, Lake Andrew Township, Mamre Township, the city of New London, New London Township, Norway Lake Township, the city of Pennock, the city of Regul, Roseville Township, St. Johns Township, the city of Spicer, the city of Sunburg, the city of Willmar, and Willmar Township.*

*(b) House district 15B consists of that portion of senate district 15 not included in house district 15A.*

**Sec. 17. [2.193] [SIXTEENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 16 consists of that portion of Stearns County consisting of St. Augusta Township, the city of St. Cloud, St. Cloud Township, and the city of Waite Park, and that portion of Benton County consisting of the city of Sauk Rapids, except that portion of the city of Sauk Rapids surrounded by Sauk Rapids Township, the portions of Sauk Rapids Township surrounded by the city of Sauk Rapids, and the city of St. Cloud, except that portion of the city of St. Cloud lying east of a line described as follows: commencing at the intersection of the eastern boundary of the city of St. Cloud and State Highway 23, southwesterly along State Highway 23 to 14th Avenue Southeast, southerly along 14th Avenue Southeast to 2nd Street Southeast, easterly along 2nd Street Southeast to the eastern boundary of the city of St. Cloud.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 16 is divided into two house districts as follows:*

*(a) House district 16A consists of that portion of Benton County in senate district 16, and that portion of Stearns County consisting of that portion of the city of St. Cloud lying east and north of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Cloud and the extension of 25th Avenue North, southerly along the extension of 25th Avenue North to the Sauk River, southerly and westerly along the Sauk River to 33rd Avenue North, southerly along 33rd Avenue North to 5th Street North, easterly along 5th Street North to 30th Avenue North, southerly along 30th Avenue North and 30th Avenue South to 1st Street South, easterly along 1st Street South to 25th Avenue South, northerly along 25th Avenue South and 25th Avenue North to 2nd Street North, easterly along 2nd Street North to Cooper Avenue North, southerly along Cooper Avenue North to West St. Germain Street, northeasterly along West St. Germain Street to 8th Avenue South, southeasterly along 8th Avenue South to 1st Street South, southwesterly along 1st Street South to 8th Avenue South, southeasterly along 8th Avenue South to 2nd Street South, southwesterly along 2nd Street South to 10th Avenue South, southeasterly along 10th Avenue South to 2nd Street South, southwesterly along 2nd Street South to East Lake Boulevard, southerly along East Lake Boulevard to 5th Street South, easterly along 5th Street South to 4th Avenue South, southerly along 4th Avenue South to 10th Street South, easterly along 10th Street south to the Mississippi River.*

*(b) House district 16B consists of that portion of senate district 16 not included in house district 16A.*

Sec. 18. [2.203] [SEVENTEENTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 17 consists of Mille Lacs County, that portion of Benton County not included in senate district 14 or 16, that portion of Kanabec County not included in senate district 18, that portion of Sherburne County not included in senate district 19, and that portion of Morrison County consisting of: the city of Buckman, Buckman Township, the city of Genola, Granite Township, the city of Harding, the city of Hillman, Hillman Township, Lakin Township, the city of Lastrup, Leigh Township, Morrill Township, Mount Morris Township, Pierz Township, Pulaski Township, and Richardson Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 17 is divided into two house districts as follows:*

*(a) House district 17A consists of that portion of senate district 17 not included in house district 17B.*

*(b) House district 17B consists of those portions of Benton and Sherburne Counties located in senate district 17.*

Sec. 19. [2.213] [EIGHTEENTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 18 consists of all of Chisago County, all of Isanti County, that portion of Kanabec County consisting of Brunswick Township, Grass Lake township, the city of Grasston, and South Fork Township, and that portion of Pine County consisting of the city of Pine City, Pine City Township, the city of Rock Creek, and Royalton Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 18 is divided into two house districts as follows:*

*(a) House district 18A consists of all of Isanti County, that portion of Chisago County consisting of Lent Township and the city of Stacy, that portion of Kanabec County contained in senate district 18, and that portion of Pine County consisting of Royalton Township.*

*(b) House district 18B consists of that portion of senate district 18 not included in house district 18A.*

Sec. 20. [2.223] [NINETEENTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 19 consists of that portion of Sherburne County consisting of the city of Becker, Becker Township, the city of Big Lake, Big Lake Township, the city of Clear Lake, Clear Lake Township, and the city of Elk River, and that portion of Wright County consisting of the city of Albertville, the city of Annandale, the city of Buffalo, Buffalo Township, Chatham Township, the city of Clearwater, Clearwater Township, Corinna Township, Frankfort Township, the city of Maple Lake, Maple Lake Township, the city of Monticello, Monticello Township, Otsego Township, the city of St. Michael, and Silver Creek Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 19 is divided into two house districts as follows:*

*(a) House district 19A consists of that portion of senate district 19 not included in house district 19B.*

*(b) House district 19B consists of that portion of Sherburne County consisting of the city of Elk River, and that portion of Wright County consisting of the city of Albertville, the city of Buffalo, Buffalo Township, Frankfort Township, Otsego Township, and the city of St. Michael.*

Sec. 21. [2.233] [TWENTIETH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 20 consists of that portion of Carver County consisting of the city of Hamburg, Hollywood Township, the city of Norwood, the city of Watertown, Watertown Township, the city of Young America, and Young America Township, that portion of McLeod County not included in senate district 15 or 23, that portion of Meeker County not included in senate district 15, that portion of Stearns county consisting of the city of Eden Lake, and that portion of Wright County not included in senate district 19 or 34.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 20 is divided into two house districts as follows:*

*(a) House district 20A consists of that portion of senate district 20 not included in house district 20B.*

*(b) House district 20B consists of that portion of Carver County included in senate district 20, that portion of McLeod County consisting of Bergen Township, Hale Township, Helen Township, the city of Lester Prairie, the city of Plato, Rich Valley Township, the city of Silver Lake, the city of Winsted, and Winsted Township, and that portion of Wright County consisting of Albion Township, the city of Cokato, Cokato Township, French Lake Township, the city of Howard Lake, Marysville Township, Middleville Township, the city of Montrose, the city of South Haven, Southside Township, Victor Township, the city of Waverly, and Woodland Township.*

Sec. 22. [2.243] [TWENTY-FIRST DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 21 consists of all of Lincoln, Pipestone, and Rock Counties, all of Lyon County except that included in senate district 22, all of Yellow Medicine County excluding the city of Granite Falls, that portion of Murray County consisting of Cameron Township, Chanarambie Township, the city of Chandler, Ellsborough Township, the city of Lake Wilson, and Moulton Township, that portion of Nobles County consisting of the city of Adrian, the city of Ellsworth, Grand Prairie Township, Leota Township, the city of Lismore, Lismore Township, and Westside Township, and that portion of Redwood County consisting of Gales Township, Granite Rock Township, Johnsonville Township, the city of Lucan, the city of Milroy, the city of Seaforth, Sheridan Township, Underwood Township, Vail Township, the city of Vesta, Vesta Township, the city of Wabasso, Waterbury Township, and Westline Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 21 is divided into two house districts as follows:*

*(a) House district 21A consists of that portion of senate district 21 not included in house district 21B.*

*(b) House district 21B consists of all of Lincoln, Pipestone, and Rock Counties, that portion of Lyon County consisting of Coon Creek Township, the city of Florence, Island Lake Township, Nordland Township, and Sherburne Township, and those portions of Murray and Nobles Counties contained in senate district 21.*

Sec. 23. [2.253] [TWENTY-SECOND DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 22 consists of all of all of Cottonwood and Jackson Counties, that portion of Brown County consisting of Albin Township, Bashaw Township, the city of Comfrey, Mulligan Township, and Stately Township, that portion of Lyon County consisting of the city of Balaton, Custer Township, the city of Garvin, Monroe Township, Rock Lake Township, and the city of Tracy, that portion of Martin County consisting of Cedar Township, the city of Ceylon, the city of Dunnell, Elm Creek Township, Fox Lake Township, Galena Township, Jay Township, Lake Belt Township, Lake Fremont Township, Manyaska Township, the city of Ormsby, the city of Sherburn, the city of Trimont, and the city of Welcome, that portion of Murray County not included in senate district 21, that portion of Nobles County not included in senate district 21, that portion of Redwood County consisting of the city of Lamberton, Lamberton Township, North Hero Township, the city of Revere, Springdale Township, and the city of Walnut Grove, and that portion of Watonwan County consisting of Adrian Township, the city of Butterfield, Butterfield Township, the city of Darfur, Long Lake Township, Nelson Township, the city of Odin, Odin Township, the city of Ormsby, and St. James Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 22 is divided into two house districts as follows:*

*(a) House district 22A consists of that portion of Cottonwood County consisting of Ann Township, Rose Hill Township, Southbrook Township, the city of Westbrook, and Westbrook Township, that portion of Jackson County consisting of Alba Township, Ewington Township, and La Crosse Township, that portion of Lyon County included in senate district 22, that portion of Murray County included in senate district 22, that portion of Nobles County included in senate district 22, and that portion of Redwood County consisting of North Hero Township, the city of Revere, Springdale Township, and the city of Walnut Grove.*

*(b) House district 22B consists of that portion of senate district 22 not included in house district 22A.*

Sec. 24. [2.263] [TWENTY-THIRD DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 23 consists of that portion of Blue Earth County consisting of Butternut Valley Township, Cambria Township, and Judson Township, that portion of Brown County consisting of Burnstown Township, the city of Cobden, Cottonwood Township, Eden Township, the city of Evan, the city of Hanska, Home Township, Lake Hanska Township, Leavenworth Township, Linden Township, Milford Township, the city of New Ulm, North Star Township, Prairieville Township, Sigel Township, the city of Sleepy Eye, the city of Springfield, and Stark Township, that portion of McLeod County consisting of the city of Brownton, the city of Glencoe, Glencoe Township, Penn Township, Round Grove Township, and Sumter Township, that portion of Nicollet County not included in senate district 24, that portion of Redwood County not included in senate district 21 or 22, and all of Sibley County except for Faxon Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 23 is divided into two house districts as follows:*

*(a) House district 23A consists of that portion of Brown County consisting of Burnstown Township, the city of Cobden, Eden Township, the city of Evan, Home Township, Milford Township, the city of New Ulm, North Star Township,*

*Prairieville Township, the city of Sleepy Eye, and the city of Springfield, and that portion of Redwood County included in senate district 23.*

*(b) House district 23B consists of that portion of senate district 23 not included in house district 23A.*

**Sec. 25. [2.273] [TWENTY-FOURTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 24 consists of that portion of Blue Earth County consisting of Lime Township, the city of Mankato, Mankato Township, the city of Skyline, and South Bend Township, that portion of LeSueur County consisting of the city of Cleveland, Cleveland Township, the city of Kasota, Kasota Township, the city of LeSueur, Ottawa Township, and Washington Township, that portion of Nicollet County consisting of Belgrade Township, the city of Mankato, the city of North Mankato, Oshawa Township, the city of St. Peter, and Traverse Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 24 is divided into two house districts as follows:*

*(a) House district 24A consists of that portion of Nicollet County, contained in senate district 24 and that portion of Blue Earth County consisting of the city of Mankato, the city of Skyline, and South Bend Township.*

*(b) House district 24B consists of that portion of senate district 24 not included in house district 24A.*

**Sec. 26. [2.283] [TWENTY-FIFTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 25 consists of all of Rice County, that portion of Dakota County consisting of the city of Northfield, that portion of Scott County consisting of the city of New Prague, and that portion of LeSueur County not included in senate district 24 or 35.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 25 is divided into two house districts as follows:*

*(a) House district 25A consists of those portions of Dakota and Scott counties included in senate district 25, that portion of LeSueur County consisting of the city of Heidelberg, Lanesburgh Township, the city of Le Center, Lexington Township, the city of Montgomery, Montgomery Township, and the city of New Prague, and that portion of Rice County consisting of Bridgewater Township, the city of Dundas, Forest Township, the city of Lonsdale, the city of Northfield, Webster Township, and Wheatland Township.*

*(b) House district 25B consists of that portion of senate district 25 not included in house district 25A.*

**Sec. 27. [2.293] [TWENTY-SIXTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 26 consists of all of Faribault County, that portion of Blue Earth County not included in senate district 23 or 24, that portion of Martin County not included in senate district 22, that portion of Waseca County not included in senate district 28, and that portion of Watonwan County not included in senate district 22.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 26 is divided into two house districts as follows:*

*(a) House district 26A consists of that portion of senate district 26 not*

included in house district 26B.

(b) House district 26B consists of all of Faribault County, that portion of Blue Earth County consisting of Beauford Township, Danville Township, Decoria Township, the city of Eagle Lake, the city of Good Thunder, Jamestown Township, Le Ray Township, Lyra Township, McPherson Township, the city of Madison Lake, the city of Mapleton, Mapleton Township, Medo Township, the city of Pemberton, the city of St. Clair, and Sterling Township, and that portion of Waseca County consisting of Alton Township, Byron Township, Freedom Township, the city of Janesville, Janesville Township, the city of New Richland, New Richland Township, Vivian Township, the city of Waldorf, and Wilton Township.

Sec. 28. [2.303] [TWENTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 27 consists of all of Freeborn County, and that portion of Mower County not included in senate district 31.

Subd. 2. [HOUSE DISTRICTS.] Senate district 27 is divided into two house districts as follows:

(a) House district 27A consists of all of Freeborn County.

(b) House district 27B consists of that portion of senate district 27 not included in house district 27A.

Sec. 29. [2.313] [TWENTY-EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 28 consists of all of Steele County, all of Dodge County except Vernon Township, that portion of Goodhue County consisting of Cherry Grove Township, Holden Township, Kenyon Township, the city of Kenyon, Roscoe Township, Wanamingo Township, and the city of Wanamingo, that portion of Olmsted County consisting of the city of Byron and Kalmar Township, and that portion of Waseca County consisting of Blooming Grove Township, Iosco Township, Otisco Township, St. Mary Township, the city of Waseca, and Woodville Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 28 is divided into two house districts as follows:

(a) House district 28A consists of that portion of Steele County consisting of Clinton Falls Township, Deerfield Township, Meriden Township, Owatonna Township, and the city of Owatonna, and that portion of Waseca County consisting of Blooming Grove Township, Lasco Township, St. Mary Township, the city of Waseca, and Woodville Township.

(b) House district 28B consists of that portion of senate district 28 not included in house district 28A.

Sec. 30. [2.323] [TWENTY-NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 29 consists of all of Wabasha County, that portion of Dakota County consisting of the city of Hastings, and Ravenna Township, and that portion of Goodhue County not included in senate district 28 or 37.

Subd. 2. [HOUSE DISTRICTS.] Senate district 29 is divided into two house districts as follows:

(a) House district 29A consists of that portion of Dakota County consisting of the city of Hastings and Ravenna Township, and that portion of Goodhue

*County consisting of the city of Red Wing, and Welch Township.*

*(b) House district 29B consists of that portion of Senate district 29 not included in house district 29A.*

Sec. 31. [2.333] [THIRTIETH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 30 consists of that portion of Olmstead County consisting of the city of Rochester.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 30 is divided into two house districts as follows:*

*(a) House district 30A consists of that portion of senate district 30 lying north of a line described as follows: commencing at the intersection of Country Club Road West with the western boundary of the city of Rochester, easterly along Country Club Road West and 2nd Street Southwest to 6th Avenue Southwest, northerly along 6th Avenue Southwest and 6th Avenue Northwest to 7th Street Northwest, westerly along 7th Street Northwest to 7th Avenue Northwest, northerly along 7th Avenue Northwest to 11th Street Northwest, easterly along 11th Street Northwest to 5th Avenue Northwest, northerly along 5th Avenue Northwest to 14th Street Northwest, easterly along 14th Street Northwest to Silver Creek, northeasterly along Silver Creek to the Zumbro River, southeasterly and southerly along the Zumbro River to 7th Street Northeast, easterly along 7th Street Northeast to 11th Avenue Northeast, northerly along 11th Avenue Northeast to 14th Street Northwest, easterly along 14th Street Northwest and northeasterly along Viola Road Northeast to 19th Street Northeast, westerly along 19th Street Northeast to 13th Avenue Northeast, northerly along 13th Avenue Northeast to the north-eastern boundary of the city of Rochester.*

*(b) House district 30B consists of that portion of senate district 30 not included in house district 30A.*

Sec. 32. [2.343] [THIRTY-FIRST DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 31 consists of that portion of Dodge County consisting of Vernon Township, that portion of Fillmore County not included in senate district 32, that portion of Mower County consisting of Bennington Township, Clayton Township, Frankford Township, the city of Grand Meadow, Grand Meadow Township, the city of Le Roy, Le Roy Township, Lodi Township, Pleasant Valley Township, the city of Racine, Racine Township, the city of Sargeant, Sargeant Township, and the city of Taopi, that portion of Olmsted County not included in senate district 28 or 30, and that portion of Winona County consisting of the city of St. Charles, St. Charles Township, and Saratoga Township.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 31 is divided into two house districts as follows:*

*(a) House district 31A consists of that portion of senate district 31 not included in house district 31B.*

*(b) House district 31B consists of those portions of Fillmore, Mower, and Winona counties in senate district 31, and that portion of Olmsted County consisting of the city of Chatfield, the city of Dover, Dover Township, Elmira Township, the city of Eyota, Eyota Township, Orion Township, Quincy Township, and Viola Township.*

Sec. 33. [2.353] [THIRTY-SECOND DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 32 consists of all of Houston County, that portion of Fillmore County consisting of Norway Township, the city of Peterson, the city of Rushford, and the city of Rushford Village, and that portion of Winona County not included in senate district 31.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 32 is divided into two house districts as follows:*

*(a) House district 32A consists of that portion of Winona County consisting of the city of Elba, Elba Township, the city of Goodview, the city of Minneiska City, the city of Minnesota City, Mount Vernon Township, the city of Rollingsstone, Rollingsstone Township, Whitewater Township, the city of Winona, and Winona Township.*

*(b) House district 32B consists of that portion of senate district 32 not included in house district 32A.*

**Sec. 34. [2.363] [THIRTY-THIRD DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 33 consists of that portion of Hennepin County consisting of Rogers, Corcoran, Hassan, Dayton, and Maple Grove, that portion of the city of Champlin not included in senate district 48, and that portion of the city of Plymouth lying east and north of the line described as follows: commencing at the intersection of the northern boundary of the city of Plymouth and Interstate Highway 494, southerly along Interstate Highway 494 to Highway 47, easterly along Highway 47 to Pine View Lane North, southerly along Pine View Lane North to the Soo Line railroad tracks, easterly along the Soo Line railroad tracks to Larch Lane North, southerly along Larch Lane North, to Rockford Road, easterly along Rockford Road to Zachary Lane North, southerly along Zachary Lane North to 36th Avenue North, easterly along 36th Avenue North to the eastern boundary of the city of Plymouth.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 33 is divided into two house districts as follows:*

*(a) House district 33A consists of that portion of senate district 33 not included in house district 33B.*

*(b) House district 33B consists of that portion of the city of Plymouth in senate district 33 and that portion of the city of Maple Grove lying south and east of a line described as follows: commencing at the intersection of the eastern boundary of the city of Plymouth with 101st Avenue North, westerly along 101st Avenue North to Zachary Lane, southerly along Zachary Lane to 97th Avenue North, easterly along 97th Avenue North and its extension to the extension of Xenium Lane southerly along the extension of Xenium Lane and Xenium Lane to County Road 30, westerly along County Road 30 to Interstate Highway 494, southerly along Interstate Highway 494 to 85th Avenue North, westerly along 85th Avenue North to Fish Lake, southerly along the western shore of Fish Lake to Fernbrook Lane, southerly along Fernbrook Lane to Timbercrest Drive, easterly along Timbercrest Drive to Zinnia, northerly along Zinnia to 73rd Avenue North, easterly along 73rd Avenue North to Interstate Highway 494, southerly along Interstate Highway 494 to the southern boundary of the city of Maple Grove.*

**Sec. 35. [2.373] [THIRTY-FOURTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 34 consists of that portion of Hennepin County not included in any other senate district, and*



that portion of Wright County consisting of the city of Delano, Franklin Township, the city of Rockford, and Rockford Township.

*Subd. 2.* [HOUSE DISTRICTS.] Senate district 34 is divided into two house districts as follows:

(a) House district 34A consists of that portion of Hennepin County consisting of the city of Hanover, the city of Greenfield, the city of Independence, the city of Minnetrista, the city of Mound, the city of Spring Park, and the city of St. Bonifacius.

(b) House district 34B consists of that portion of senate district 34 not included in house district 34A.

Sec. 36. [2.383] [THIRTY-FIFTH DISTRICT.]

*Subdivision 1.* [SENATE DISTRICT.] Senate district 35 consists of that portion of Carver County not included in Senate District 20 or Senate District 43, that portion of Le Sueur County consisting of Derrynane Township, Sharon Township, and Tyrone Township, that portion of Scott County not included in Senate district 37 or 41, and that portion of Sibley County consisting of Faxon Township.

*Subd. 2.* [HOUSE DISTRICTS.] Senate district 35 is divided into two house districts as follows:

(a) House district 35A consists of that portion of senate district 35 not included in house district 35B.

(b) House District 35B consists of that portion of Scott County consisting of Jackson Township, the city of Jordan, Louisville Township, the city of Prior Lake, Sandcreek Township, the city of Shakopee, and Spring Lake Township.

Sec. 37. [2.393] [THIRTY-SIXTH DISTRICT.]

*Subdivision 1.* [SENATE DISTRICT.] Senate district 36 consists of that portion of Dakota county consisting of that portion of the city of Burnsville lying south of a line described as follows: commencing at the intersection of the western boundary of Dakota county and County Road 42, easterly along County Road 42 to Burnsville Parkway, northeasterly along Burnsville Parkway to West 136th Street, easterly along West 136th Street to County Road 5, southerly along County Road 5 to West 138th Street, southeasterly along West 138th Street to 140th Street, southwesterly along 140th Street to McAndrews Road, easterly along McAndrews Road to Nicollet Avenue, northerly along Nicollet Avenue to State Highway 13, northeasterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, that portion of the city of Apple Valley lying south of a line described as follows: commencing at the intersection of the northern boundary of the city of Apple Valley with State Highway 77, southerly and then easterly along State Highway 77 to Johnny Cake Ridge Road, northerly along Johnny Cake Ridge Road to the extension of Eveleth Path, easterly and northeasterly along Eveleth Path and its extension to 126th Street West, easterly and southeasterly along 126th Street West and Diamond Path to the eastern boundary of the city of Apple Valley, and that portion of the city of Lakeville north and east of a line described as follows: commencing at the intersection of the northern boundary of the city of Lakeville and Flagstaff Avenue, southerly along Flagstaff Avenue to Dodd Boulevard, northeasterly along Dodd Boulevard to the northern boundary of the city of Lakeville.

*Subd. 2. [HOUSE DISTRICTS.] Senate district 36 is divided into two house districts as follows:*

*(a) House district 36A consists of those portions of the cities of Apple Valley and Lakeville contained in senate district 36.*

*(b) House district 36B consists of that portion of senate district 36 not included in house district 36A.*

**Sec. 38. [2.403] [THIRTY-SEVENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 37 consists of that portion of Scott County consisting of Credit River Township, Cedar Lake Township, New Market Township, the city of New Market, and the city of Elko, that portion of Dakota County not included in senate district 25, 36, 38, or 39, and that portion of Goodhue County consisting of Cannon Falls Township, Leon Township, Stanton Township, and Warsaw Township, and the cities of Cannon Falls and Dennison.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 37 is divided into two house districts as follows:*

*(a) House district 37A consists of that portion of house district 37 not included in house district 37B.*

*(b) House district 37B consists of that portion of senate district 37 consisting of that portion of Scott County located in senate district 37 and that portion of Dakota County consisting of that portion of the city of Lakeville included in senate district 37 and that portion of the city of Farmington lying north of a line described as follows: commencing at the intersection of the northern boundary of the city of Farmington and the eastern boundary of the city of Farmington, southerly along the eastern boundary of the city of Farmington to the point where it turns east, westerly along an extension of that boundary of the city of Farmington to Aiken Road, northwesterly along Aiken Road to 195th Street West, westerly along 195th Street West to Flagstaff Avenue, southerly along Flagstaff Avenue to 200th Street West, westerly along 200th Street West to the western boundary of the city of Farmington.*

**Sec. 39. [2.413] [THIRTY-EIGHTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 38 consists of that portion of Dakota County consisting of the cities of Eagan, Lilydale, and Mendota, that portion of the city of Apple Valley not included in Senate district 36, that portion of the city of Burnsville north and east of a line described as follows: commencing at the intersection of the northern boundary of Dakota County and Interstate Highway 35W, southerly along Interstate Highway 35W to the Chicago Northwestern Transportation Company railroad tracks, easterly along the Chicago and Northwestern Transportation Company railroad tracks to Cliff Road, southerly and easterly along Cliff Road to Nicollet Avenue, southerly along Nicollet Avenue to State Highway 13, northeasterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, and that portion of the city of Mendota Heights lying west and south of a line described as follows: commencing at the intersection of the northern boundary of the city of Mendota Heights and State Highway 13, southwesterly along State Highway 13 to Wachtler Avenue, southerly along Wachtler Avenue to Wentworth Avenue, easterly along Wentworth Avenue to Dodd Road, southwesterly along Dodd Road to Marie Avenue, easterly along Marie Avenue to the eastern*

*boundary of the city of Mendota Heights.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 38 is divided into two house districts as follows:*

*(a) House district 38A consists of that portion of senate district 38 not included in house district 38B.*

*(b) House district 38B consists of that portion of the city of Apple Valley in senate district 38, that portion of the city of Burnsville east of a line described as follows: commencing at the intersection of State Highway 13 and the eastern boundary of the city of Burnsville, southwesterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, and that portion of the city of Eagan lying south of a line described as follows: commencing at the intersection of the western boundary of the city of Eagan and Diffley Road, easterly along Diffley Road to Lexington Avenue, northerly along Lexington Avenue to Yankee Doodle Road, easterly along Yankee Doodle Road to the Soo Line railroad tracks, southeasterly along the Soo Line railroad tracks to the eastern boundary of the city of Eagan.*

**Sec. 40. [2.423] [THIRTY-NINTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 39 consists of that portion of Dakota County consisting of the cities of Inver Grove Heights, South St. Paul, Sunfish Lake, West St. Paul, and that portion of the city of Mendota Heights not included in senate district 38.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 39 is divided into two house districts as follows:*

*(a) House district 39A consists of that portion of senate district 39 consisting of the cities of West St. Paul and Sunfish Lake, that portion of the city of Mendota Heights included in senate district 39, that portion of the city of South St. Paul lying north and west of a line described as follows: commencing at the intersection of the southern boundary of the city of South St. Paul and 18th Avenue South, northerly along 18th Avenue South to Southview Boulevard, easterly along Southview Boulevard to 17th Avenue South, northerly along 17th Avenue South to 4th Street North, easterly along 4th Street North to 14th Avenue North, northerly along 14th Avenue North to Wentworth Avenue, easterly along Wentworth Avenue and its extension to the Mississippi River, and that portion of the city of Inver Grove Heights lying west and north of a line described as follows: commencing at the intersection of the northern boundary of the city of Inver Grove Heights and Babcock Trail, southerly along Babcock Trail to Upper 55th Street, westerly along Upper 55th Street to the western boundary of the city of Inver Grove Heights.*

*(b) House district 39B consists of that portion of senate district 39 not included in house district 39A.*

**Sec. 41. [2.433] [FORTIETH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 40 consists of that portion of the city of Bloomington not included in senate district 41, and that portion of the city of Richfield not included in senate district 63.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 40 is divided into two house districts as follows:*

*(a) House district 40A consists of that portion of senate district 40 lying*

*north and east of a line described as follows: commencing at the intersection of the northern boundary of the city of Bloomington and Interstate Highway 35W, southerly along Interstate Highway 35W to the Soo Line railroad tracks, northeasterly along the Soo Line railroad tracks to 95th Street, easterly along 95th Street to Chicago Avenue South, northerly along Chicago Avenue South to 94th Street, easterly along 94th Street to Old Shakopee Road, northeasterly along Old Shakopee Road to Old Cedar Avenue, south-easterly along Old Cedar Avenue to the Minnesota River.*

*(b) House district 40B consists of that portion of senate district 40 not included in house district 40A.*

Sec. 42. [2.443] [FORTY-FIRST DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 41 consists of that portion of Dakota County consisting of that portion of the city of Burnsville not included in senate district 36 or 38, that portion of Scott County consisting of the city of Savage, and that portion of Hennepin County consisting of that portion of the city of Bloomington lying west of a line described as follows: commencing at the intersection of the southern boundary of the city of Bloomington with the extension of France Avenue South, north of the extension of France Avenue South to Overlook Drive, west on Overlook Drive to Normandale Boulevard, north on Normandale Boulevard to Old Shakopee Road, easterly along Old Shakopee Road to Kell Avenue, southerly along Kell Avenue to 188th Street, easterly along 188th Street to Xerxes Avenue South, northerly along Xerxes Avenue South to Old Shakopee Road, north-easterly along Old Shakopee Road to Nine Mile Creek, northerly and westerly along Nine Mile Creek to West 90th Street, southwesterly along West 90th Street to Poplar Bridge Road, easterly along Poplar Bridge Road to Kingsdale Drive, southwesterly along Kingsdale Drive to Poplar Bridge Road, southwesterly along Poplar Bridge Road to Normandale Boulevard, northerly along Normandale Boulevard to the northern boundary of the city of Bloomington, and that portion of the city of Eden Prairie not included in senate district 42 or 43.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 41 is divided into two house districts as follows:*

*(a) House district 41A consists of that portion of senate district 41 lying north of a line described as follows: commencing with the intersection of Purgatory Creek and the western boundary of senate district 41, southeast-erly along Purgatory Creek to Pioneer Trail, southwesterly along Pioneer Trail to the Bloomington Ferry Road, southerly along the Bloomington Ferry Road to Old Shakopee Road, easterly along Old Shakopee Road to the eastern boundary of senate district 41.*

*(b) House district 41B consists of that portion of senate district 41 not included in house district 41A.*

Sec. 43. [2.453] [FORTY-SECOND DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 42 consists of that portion of Hennepin County consisting of the city of Edina and that portion of the city of Eden Prairie not included in senate district 43 and lying west and north of a line described as follows: commencing at the intersection of the southern boundary of Hennepin County with the extension of Concord Drive, northerly along the extension of Concord Drive to Riverview Road, westerly along Riverview Road to Noder Lane northerly along Noder Lane to Silverwood Drive, easterly along Silverwood Drive to Homeward Mills*

*Road, northerly along Homeward Mills Road to Anderson Lakes Parkway, easterly along Anderson Lakes Parkway to Hidden Oaks Drive, northeasterly along Hidden Oaks Drive and its extension to the southern shore of Anderson Lake, southerly southeasterly and northeasterly along the southern shore of Anderson Lake to the eastern boundary of the city of Eden Prairie.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 42 is divided into two house districts as follows:*

*(a) House district 42A consists of that portion of the city of Edina lying north and east of a line described as follows: commencing at the intersection of the western boundary of the city of Edina with U.S. Highway 169, easterly along U.S. Highway 169 to State Highway 100, southerly along State Highway 100 to West 66th Street, easterly along West 66th Street to West Shore Drive, southeasterly along West Shore Drive to Lagoon Drive, easterly along Lagoon Drive to Wooddale Avenue, southerly along Wooddale Avenue to Dunberry Lane, easterly along Dunberry Lane to Cornelia Drive, southerly along Cornelia Drive to West 70th Street, easterly along West 70th Street to France Avenue, southerly along France Avenue to the southern boundary of the city of Edina.*

*(b) House district 42B consists of that portion of senate district 42 not contained in house district 42A.*

**Sec. 44. [2.463] [FORTY-THIRD DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 43 consists of that portion of Carver County consisting of the cities of Chanhassen and Victoria, and that portion of Hennepin County consisting of the city of Deephaven, that portion of the city of Eden Prairie not included in senate district 42, the city of Excelsior, the city of Greenwood, that portion of the city of Minnetonka lying south and west of a line described as follows: commencing at the intersection of Lake Street and the western boundary of the city of Minnetonka, easterly along Lake Street to Interstate Highway 494, southerly along Interstate Highway 494 to the southern boundary of the city of Minnetonka, the city of Minnetonka Beach, that portion of the city of Orono lying south of the northern shore of Lake Minnetonka along Crystal Bay, Smith Bay, and Browns Bay, the city of Shorewood, the city of Tonka Bay, the city of Wayzata, and the city of Woodland.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 43 is divided into two house districts as follows:*

*(a) House district 43A consists of that portion of senate district 43 consisting of the cities of Eden Prairie, Minnetonka Beach, Orono, and Tonka Bay, and that portion of the city of Shorewood lying west described as follows: commencing at the intersection of the southern boundary of Hennepin County and First Avenue, northerly along First Avenue to Smith Town Road, westerly along Smith Town Road to Eureka Road, northerly along Eureka Road to Birch Bluff Road, easterly along Birch Bluff Road to the western boundary of the city of Tonka Bay.*

*(b) House district 43B consists of that portion of senate district 43 not included in house district 43A.*

**Sec. 45. [2.473] [FORTY-FOURTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 44 consists of that portion of Hennepin County consisting of the cities of Hopkins and St. Louis Park, and that portion of the city of Minnetonka lying south and east of a*

line described as follows: commencing at the intersection of Interstate Highway 494 and the southern boundary of the city of Minnetonka, northerly along Interstate Highway 494 to Excelsior Boulevard, northeasterly and easterly along Excelsior Boulevard to the eastern boundary of the city of Minnetonka.

*Subd. 2.* [HOUSE DISTRICTS.] *Senate district 44 is divided into two house districts as follows:*

*(a) House district 44A consists of that portion of senate district 44 in the city of St. Louis Park lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Louis Park and Flag Avenue, southerly along Flag Avenue to Westmoreland Lane, easterly along Westmoreland Lane, Franklin Avenue, and its extension to Louisiana Avenue, southerly along Louisiana Avenue to the Burlington Northern Railroad tracks, southwesterly along the Burlington Northern Railroad tracks to Virginia Avenue, southerly along Virginia Avenue to West 28th Street, easterly along West 28th Street to Texas Avenue, southerly along Texas Avenue to the southern boundary of the city of St. Louis Park.*

*(b) House district 44B consists of that portion of senate district 44 not included in house district 44A.*

**Sec. 46. [2.483] [FORTY-FIFTH DISTRICT.]**

*Subdivision 1.* [SENATE DISTRICT.] *Senate district 45 consists of that portion of Hennepin County consisting of that portion of the city of Golden Valley not included in senate district 46, the city of Medicine Lake, that portion of the city of Minnetonka not included in senate district 43 or 44, and that portion of the city of Plymouth lying south and east of a line described as follows: commencing at the intersection of the western boundary of the city of Plymouth with County Road 6, easterly along County Road 6 to Interstate Highway 494, northerly along Interstate Highway 494 to Rockford Road, easterly along Rockford Road to Zachary Lane, southerly along Zachary Lane to 36th Avenue North, easterly along 36th Avenue North to the eastern boundary of the city of Plymouth.*

*Subd. 2.* [HOUSE DISTRICTS.] *Senate district 45 is divided into two house districts as follows:*

*(a) House district 45A consists of that portion of senate district 45 consisting of that portion of the city of Minnetonka located in senate district 45 and that portion of the city of Plymouth located in senate district 45 lying west of Interstate Highway 494.*

*(b) House district 45B consists of that portion of senate district 45 not included in house district 45A.*

**Sec. 47. [2.493] [FORTY-SIXTH DISTRICT.]**

*Subdivision 1.* [SENATE DISTRICT.] *Senate district 46 consists of that portion of Hennepin County consisting of the cities of Crystal, New Hope, Robbinsdale, and that portion of the city of Brooklyn Center lying south of 58th Avenue North.*

*Subd. 2.* [HOUSE DISTRICTS.] *Senate district 46 is divided into two house districts as follows:*

*(a) House district 46A consists of that portion of senate district 46 lying west of a line described as follows: commencing at the intersection of the northern boundary of the city of Crystal with U.S. Highway 52 southeasterly*

*along U.S. Highway 52 to the northern boundary of the city of Robbinsdale, westerly, southerly, and westerly along the northern and western boundaries of the city of Robbinsdale to 42nd Avenue North, westerly along 42nd Avenue North to the Soo Line Railroad Company tracks, southerly along the Soo Line Railroad Company tracks to the western boundary of the city of Crystal, westerly and southerly along the western boundary of the city of Crystal to the southern boundary of senate district 46.*

*(b) House district 46B consists of that portion of senate district 46 not included in house district 46A.*

Sec. 48. [2.503] [FORTY-SEVENTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 47 consists of that portion of Hennepin County consisting of that portion of the city of Brooklyn Center not included in senate district 46 and that portion of the city of Brooklyn Park lying south and west of a line described as follows: commencing at the intersection of the western boundary of the city of Brooklyn Park and the southern boundary of the city of Osseo, easterly along the southern boundary of the city of Osseo to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad tracks to 85th Avenue North, easterly along 85th Avenue North to Xerxes Avenue, southerly along Xerxes Avenue to 81st Avenue North, easterly along 81st Avenue North and its extension to Pearson Parkway, southeasterly along Pearson Parkway to Newton Avenue, southerly along Newton Avenue to the southern boundary of the city of Brooklyn Park.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 47 is divided into two house districts as follows:*

*(a) House district 47A consists of that portion of senate district 47 lying west of a line described as follows: commencing at the intersection of the northern boundary of senate district 47 and Noble Avenue, southerly along Noble Avenue to 83rd Avenue North, easterly along 83rd Avenue North to 82nd Avenue North, southerly and westerly along 82nd Avenue North to June Avenue, southerly along June Avenue to 75th Avenue North, westerly along 75th Avenue North to Lee Avenue, southerly and westerly along Lee Avenue to Major Avenue, southerly and westerly along Major Avenue to Noble Avenue, southerly along Noble Avenue to the southern boundary of senate district 47.*

*(b) House district 47B consists of that portion of senate district 47 not located in house district 47A.*

Sec. 49. [2.513] [FORTY-EIGHTH DISTRICT.]

*Subdivision 1. [SENATE DISTRICT.] Senate district 48 consists of that portion of Anoka County consisting of that portion of the city of Coon Rapids not included in senate district 49, the city of Spring Lake Park, that portion of the city of Blaine south and west of a line described as follows: commencing at the intersection of the western boundary of the city of Blaine with County Road 11B, southeasterly along County Road 11B to Central Avenue Northeast, southerly along Central Avenue Northeast to 89th Avenue, easterly along 89th Avenue Northeast and its extension to Hastings Street Northeast, southerly along Hastings Street Northeast to the southern boundary of the city of Blaine, and that portion of the city of Fridley lying north of a line described as follows: commencing at the intersection of the Mississippi*

*River with Rice Creek, easterly along Rice Creek to East River Road, south-easterly along East River Road to Mississippi Street, easterly along Mississippi Street to Seventh Street Northeast, southerly along Seventh Street Northeast to 61st Avenue East, easterly along 61st Avenue East to West Moore Lake Drive, southeasterly along West Moore Lake Drive to Central Avenue Northeast, southerly along Central Avenue Northeast to Lynde Drive, easterly along Lynde Drive to Regis Street, northerly along Regis Street to Hathaway Lane, easterly along Hathaway Lane to Regis Trail, northerly along Regis Trail to Gardena Avenue, easterly along Gardena Avenue to the eastern boundary of the city of Fridley, that portion of Ramsey County consisting of the city of Spring Lake Park, and that portion of Hennepin County consisting of that portion of the city of Brooklyn Park not included in senate district 47, the city of Osseo, and that portion of the city of Champlin lying east of a line described as follows: commencing at the intersection of the southern boundary of the city of Champlin with United States Highway 169, northerly along United States Highway 169 to Hayden Lake Road, westerly along Hayden Lake Road to Vera Street, northerly along Vera Street and its extension to the extension of Baker Lane, northerly along Baker Lane and its extension to French Lake Road, northeasterly along French Lake Road to Dayton River Road, southeasterly along Dayton River Road to United States Highway 169, northerly along United States Highway 169 to the Mississippi River.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 48 is divided into two house districts as follows:*

*(a) House district 48A consists of that portion of senate district 48 not included in house district 48B.*

*(b) House district 48B consists of that portion of senate district 48 located in Anoka and Ramsey Counties.*

**Sec. 50. [2.523] [FORTY-NINTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 49 consists of that portion of Anoka County consisting of the city of Anoka and that portion of the city of Coon Rapids lying north of a line described as follows: commencing at the intersection of the Mississippi River with Coon Creek, northerly along Coon Creek to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad tracks to Coon Rapids Boulevard, easterly along Coon Rapids Boulevard to the north-south Burlington Northern Railroad tracks, northerly along the north-south Burlington Northern Railroad tracks to Egret Boulevard, easterly along Egret Boulevard to Highway 10, southeasterly along Highway 10 to the extension of 94th Avenue, northeasterly along the extension of 94th Avenue to the eastern boundary of the city of Coon Rapids.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 49 is divided into two house districts as follows:*

*(a) House district 49A consists of that portion of senate district 49 lying north and west of a line described as follows: commencing at the intersection of the Mississippi River with the southern boundary of the campus of Anoka Ramsey State Community College, easterly along the southern boundary of the campus of Anoka Ramsey State Community College to Mississippi Boulevard, northerly along Mississippi Boulevard to Coon Rapids Boulevard, northwesterly along Coon Rapids Boulevard to Round Lake Boulevard, north-erly along Round Lake Boulevard to 119th Avenue Northwest, easterly along*



*119th Avenue Northwest an extension of Magnolia Street, northerly along the extension of Magnolia Street to the Burlington Northern Railroad tracks, northwesterly along the Burlington Northern Railroad tracks to Main Street, easterly along Main Street to United States Highway 10, southeasterly along United States Highway 10 to Hanson Boulevard, northeasterly along Hanson Boulevard to North Dale Boulevard, easterly along North Dale Boulevard to Sand Creek, northeasterly and southeasterly along Sand Creek to the eastern boundary of the city of Coon Rapids.*

*(b) House district 49B consists of that portion of senate district 49 not located in house district 49A.*

**Sec. 51. [2.533] [FIFTIETH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 50 consists of that portion of Anoka County north of a line described as follows: commencing at the intersection of the Mississippi River with the northwestern boundary of the city of Anoka, northerly and easterly along the northern boundary of the city of Anoka to the northern boundary of the city of Coon Rapids, easterly along the northern boundary of the city of Coon Rapids to University Avenue Northeast, southerly along University Avenue Northeast to Main Street, easterly along Main Street to Jefferson Street Northeast, northerly along Jefferson Street Northeast to Madison Street, northeasterly along Madison Street to 127th Avenue, easterly along 127th Avenue to Able Street, southerly along Able Street to 128th Avenue, easterly along 128th Avenue to Taylor Street, northerly along Taylor Street to 126th Avenue, easterly along 126th Avenue to Buchanan Street, northerly along Buchanan Street to 129th Avenue, easterly along 129th Avenue to Lincoln Street, northerly along Lincoln Street to 129th Avenue, easterly along 129th Avenue to Central Avenue Northeast, northerly along Central Avenue Northeast to the northern boundary of the city of Blaine, easterly along the northern boundary of the city of Blaine and the northern boundary of the city of Lino Lakes to the eastern boundary of Anoka County.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 50 is divided into two house districts as follows:*

*(a) House district 50A consists of that portion of senate district 50 lying north of a line described as follows: commencing at the intersection of the eastern boundary of Anoka County with the northern boundary of the city of Andover, easterly along the northern boundary of the city of Andover and the northern boundary of the city of Ham Lake to Central Avenue Northeast, southerly along Central Avenue Northeast to the northern boundary of the city of Blaine, easterly along the northern boundary of the city of Blaine and the northern boundary of the city of Lino Lakes to the eastern boundary of Anoka County.*

*(b) House district 50B consists of that portion of senate district 50 not included in house district 50A.*

**Sec. 52. [2.553] [FIFTY-FIRST DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 51 consists of that portion of Anoka County consisting of all of the cities of Centerville, Lexington, and Lino Lakes, and that portion of the city of Blaine not included in senate district 48, 50, or 53, and that portion of Washington County north of a line described as follows: commencing at the intersection of the western boundary of the city of Hugo with the southern boundary of the city of Hugo, easterly along the southern boundary of the city of Hugo to*

*Goodview Avenue, northerly along Goodview Avenue to 137th Street North, easterly along 137th Street North to Homestead Avenue North, northerly along Homestead Avenue North to 140th Street North, easterly along 140th Street North to the eastern boundary of the city of Hugo, southerly along the eastern boundary of the city of Hugo to the southern boundary of May Township, easterly along the southern boundary of May Township to the eastern boundary of Washington County.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 51 is divided into two house districts as follows:*

*(a) House district 51A consists of the city of Lexington and that portion of the city of Blaine included in senate district 51.*

*(b) House district 51B consists of that portion of senate district 51 not included in house district 51A.*

**Sec. 53. [2.543] [FIFTY-SECOND DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 52 consists of that portion of Anoka County consisting of the cities of Columbia Heights and Hilltop and that portion of the city of Fridley not included in senate district 48, and that portion of Ramsey County consisting of the city of Mounds View and the city of New Brighton.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 52 is divided into two house districts as follows:*

*(a) House district 52A consists of that portion of senate district 52 not included in house district 52B.*

*(b) House district 52B consists of the city of Mounds View and that portion of the city of New Brighton located within a line described as follows: commencing at the intersection of 16th Street Northwest with the western boundary of the city of New Brighton, easterly along the western boundary of the city of New Brighton to Silver Lake Road, southerly along Silver Lake Road to County Road E, westerly along County Road E to the western boundary of the city of New Brighton, and northerly along the western boundary of the city of New Brighton to the point of origin.*

**Sec. 54. [2.563] [FIFTY-THIRD DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 53 consists of that portion of Ramsey County consisting of the cities of Arden Hills, Shoreview, North Oaks, and Gem Lake; that portion of the city of Vadnais Heights not included in senate district 54; that portion of White Bear Township bordered by boundaries of Anoka County and the cities of Shoreview and North Oaks; those portions of the city of White Bear Lake and White Bear Township lying westerly of a line described as follows: commencing at the intersection of Otter Lake Road with a railroad right-of-way and the northern boundary of the city of Gem Lake, northerly along Otter Tail Road to County Road H-2, easterly along County Road H-2 to Bald Eagle Boulevard, southerly along Bald Eagle Boulevard extending to the shoreline of White Bear Lake, northerly, easterly, and northerly along the shoreline of White Bear Lake to the northern boundary of Ramsey County; and those portions of the cities of Little Canada and Maplewood not included in senate districts 54, 55, and 57; and that portion of Anoka County consisting of the city of Circle Pines and that portion of the city of Blaine lying within a line described as follows: commencing at the intersection of Interstate Highway 35W and the northern boundary of Ramsey County, northerly along Interstate Highway*

35W to the extension of Flowerfield Road, easterly along the extension and Flowerfield Road to Lexington Avenue, and northerly, easterly, southerly, easterly, southerly, and westerly along the boundaries of the city of Blaine to the point of origin.

*Subd. 2. [HOUSE DISTRICTS.] Senate district 53 is divided into two house districts as follows:*

*(a) House district 53A consists of that portion of senate district 53 not included in house district 53B.*

*(b) House district 53B consists of that portion of senate district 53 consisting of the cities of North Oaks and Gem Lake; those portions of White Bear Township and the cities of Vadnais Heights and White Bear Lake described in subdivision 1; and that portion of the city of Shoreview lying westerly of Hodgson Road and that portion lying within a line described as follows: commencing at the intersection of Hodgson Road and Snail Lake Boulevard, westerly, southerly, and westerly along Snail Lake Boulevard to County Road F, westerly along County Road F to Lexington Avenue and the western boundary of the city, southerly, easterly, and northerly along the boundaries of the city of Shoreview to Hodgson Road, and northwesterly along Hodgson Road to the point of origin.*

**Sec. 55. [2.663] [FIFTY-FOURTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 54 consists of that portion of Ramsey County consisting of the cities of Roseville, St. Anthony, Lauderdale, and Falcon Heights, that portion of the city of Maplewood lying within a line described as follows: commencing at a point at the intersection of Rice Street and Larpenteur Avenue, easterly along Larpenteur Avenue to DeSoto Avenue and a railroad right-of-way, northeasterly along the railroad right-of-way and an extension of it to Parkway Boulevard, northeasterly along Parkway Boulevard to Frost Avenue, easterly along Frost Avenue to Chamber Street, northerly along Chamber Street to said railroad right-of-way, northeasterly along the railroad right-of-way to Hazelwood Street, northerly along Hazelwood Street to County Road C, westerly along County Road C to Keller Parkway, northerly and westerly along Keller Parkway to the western boundary of the city, southerly, westerly, southerly, westerly, and southerly along the boundaries of the city to the point of origin; that portion of the city of Little Canada lying within a line described as follows: commencing at the intersection of Owasso Boulevard and Rice Street, southerly, easterly, northerly, easterly, and northerly along the boundaries of the city to Keller Parkway, westerly and southerly along Keller Parkway to Little Canada Road, westerly along Little Canada Road to Interstate Highway 35E, northwesterly along Interstate Highway 35E to Interstate Highway 694, northwesterly along Interstate Highway 694 to the northern boundary of the city, and easterly to the point of origin; and, that portion of the city of Vadnais Heights lying within a line described as follows: commencing at the intersection of Rice Street and Owasso Boulevard, easterly along the northern boundary of the city of Little Canada to Interstate Highway 694, northwesterly along Interstate Highway 694 to Rice Street, and southerly along Rice Street to the point of origin; and, that portion of Hennepin County consisting of the city of St. Anthony.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 54 is divided into two house districts as follows:*

*(a) House district 54A consists of that portion of senate district 54 not*

included in house district 54B.

(b) House district 54B consists of those portions of the cities of Little Canada, Maplewood, and Vadnais Heights contained in senate district 54, and that portion of the city of Roseville lying within a line described as follows: commencing at the intersection of Snelling Avenue with the northern boundary of the city, southerly along Snelling Avenue to County Road C, easterly along County Road C to Hamline Avenue, southerly along Hamline Avenue to Trunk Highway 36, westerly along Trunk Highway 36 to Lexington Avenue, southerly along Lexington Avenue to County Road B, easterly along County Road B to the eastern boundary of the city of Roseville, and northerly and easterly along the boundaries of the city of Roseville to the point of origin.

Sec. 56. [2.573] [FIFTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 55 consists of that portion of Ramsey County consisting of the city of North St. Paul; that portion of the city of White Bear Lake not included in senate district 53; that portion of White Bear Township not included in senate district 53; that portion of Maplewood lying within a line described as follows: commencing at the intersection of Century Avenue and Interstate Highway 694, westerly along Interstate Highway 694 to White Bear Avenue, southerly along White Bear Avenue to Trunk Highway 36, westerly along Trunk Highway 36 to Hazelwood Street, southerly along Hazelwood Street to a railroad right-of-way, westerly along the railroad right-of-way to Chamber Street, southerly along Chamber Street to Frost Avenue, westerly and southwesterly along Frost Avenue to the extension of said railroad right-of-way, southwestwesterly along the extension and the railroad right-of-way to Larpenteur Avenue, easterly along Larpenteur Avenue to Century Avenue, northerly along Century Avenue to Holloway Avenue and the southern boundary of the city of North St. Paul, westerly, northerly, and easterly along the boundaries of the city of North St. Paul to Century Avenue, and northerly along Century Avenue to the point of origin; and, that part of the city of St. Paul lying within a line described as follows: commencing at the intersection of Larpenteur Avenue and Interstate Highway 35E, southerly along Interstate Highway 35E to Arlington Avenue, easterly along Arlington Avenue to Wheelock Parkway, easterly along Wheelock Parkway and its extension to the shoreline of Lake Phalen, southeasterly along the shoreline of Lake Phalen and an extension of the shoreline to Johnson Parkway, southerly along Johnson Parkway to Maryland Avenue, easterly along Maryland Avenue to Kennard Street, northerly along Kennard Street to Sherwood Avenue, easterly along Sherwood Avenue to White Bear Avenue, northerly along White Bear Avenue to Larpenteur Avenue, and westerly along Larpenteur Avenue to the point of origin; and, that portion of Washington County lying within a line described as follows: the intersection of the southerly shoreline of White Bear Lake with the boundary between Ramsey and Washington counties, southeasterly along the shoreline and its extension to Cedar Hall Avenue, southeasterly along Cedar Hall Avenue to Wildwood Road, northeasterly along Wildwood Road to Ideal Avenue North, southerly along Ideal Avenue North to the boundaries of the city of Pine Springs, easterly, southerly, easterly, southerly, easterly, and southerly along the boundaries of the city of Pine Springs to Interstate Highway 694, westerly to the eastern boundary of Washington County, and northerly along the boundary to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 55 is divided into two

house districts as follows:

(a) House district 55A consists of that portion of senate district 55 not included in house district 55B.

(b) House district 55B consists of that portion of Washington County included in senate district 55 and that portion of Ramsey County consisting of the city of North St. Paul and those portions of the cities of Maplewood and St. Paul included in senate district 55.

Sec. 57. [2.583] [FIFTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 56 consists of that portion of Washington County not included in senate district 51, 55, or 57.

Subd. 2. [HOUSE DISTRICTS.] Senate district 56 is divided into two house districts as follows:

(a) House district 56A consists of that portion of senate district 56 north of a line described as follows: commencing at the intersection of the western boundary of Washington County with the southern boundary of the city of Mahtomedi easterly and northeasterly along the southern boundary of the city of Mahtomedi to the western boundary of Grant Township, southerly along the western boundary of Grant Township to the southern boundary of Grant Township, easterly along the southern boundary of Grant Township to the western boundary of Baytown Township southerly along the western boundary of Baytown Township to the southern boundary of Baytown Township, easterly along the southern boundary of Baytown Township to the eastern boundary of senate district 56.

(b) House district 56B consists of that portion of senate district 56 not included in house district 56A.

Sec. 58. [2.593] [FIFTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 57 consists of that portion of Ramsey County consisting of that portion of the city of Maplewood lying south of Larpenteur Avenue, and that portion of Washington County south and west of a line described as follows: commencing at the intersection of the western boundary of Washington County and the Chicago and Northwestern Transportation Company railroad tracks in the city of Oakdale, easterly along the Chicago and Northwestern Transportation Company railroad tracks to Interstate Highway 694, southerly along Interstate Highway 694 to Valley Creek Road, easterly along Valley Creek Road to Queens Drive, southerly along Queens Drive to Afton Road, southeasterly along Afton Road to Tower Drive, northerly along Tower Drive to Valley Creek Road, easterly along Valley Creek Road to Pioneer Drive, southerly along Pioneer Drive to Bailey Road, easterly along Bailey Road to Woodbury Drive, southerly along Woodbury Drive to the southern boundary of the city of Woodbury, easterly along the southern boundary of Woodbury to the eastern boundary of the city of Cottage Grove, southerly and westerly along the eastern and southern boundaries of Cottage Grove to the Mississippi River.

Subd. 2. [HOUSE DISTRICTS.] Senate district 57 is divided into two house districts as follows:

(a) House district 57A consists of the city of Landfall and those portions of the cities of Oakdale and Woodbury included in senate district 57.

(b) House district 57B consists of that portion of senate district 57 not

*included in house district 57A.*

**Sec. 59. [2.603] [FIFTY-EIGHTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 58 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and Glenwood Avenue, easterly along Glenwood Avenue to the Burlington Northern Railroad tracks, southeasterly and northeasterly along the Burlington Northern Railroad tracks to Interstate Highway 94, southerly along Interstate Highway 94 to Interstate Highway 394, easterly along Interstate Highway 394 to Hawthorne Avenue, northeasterly along Hawthorne Avenue to 9th Street North, southerly along 9th Street North to Hennepin Avenue, northeasterly along Hennepin Avenue to Washington Avenue North, northwesterly along Washington Avenue North to Plymouth Avenue North, easterly and northeasterly along Plymouth Avenue North to the Mississippi River, northwesterly along the Mississippi River to the northern boundary of the city of Minneapolis, westerly along the northern boundary of the city of Minneapolis to the western boundary of the city of Minneapolis, southerly along the western boundary of the city of Minneapolis to the point of origin.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 58 is divided into two house districts as follows:*

*(a) House district 58A consists of that portion of senate district 58 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and 21st Avenue North, easterly along 21st Avenue North to Upton Avenue North, northerly along Upton Avenue North to 24th Avenue North, easterly on 24th Avenue North to Sheridan Avenue North, northerly along Sheridan Avenue North to 26th Avenue North, easterly along 26th Avenue North to Penn Avenue North, northerly along Penn Avenue North to 29th Avenue North, easterly along 29th Avenue North to Humboldt Avenue North, northerly along Humboldt Avenue North to 30th Avenue North, easterly along 30th Avenue North to Dupont Avenue North, northerly along Dupont Avenue North to Lowry Avenue North, easterly along Lowry Avenue North to the eastern boundary of senate district 58.*

*(b) House district 58B consists of that portion of senate district 58 not included in house district 58A.*

**Sec. 60. [2.613] [FIFTY-NINTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 59 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the Mississippi River and the northern boundary of the city of Minneapolis, easterly along the northern boundary of the city of Minneapolis to the eastern boundary of the city of Minneapolis, southerly along the eastern boundary of the city of Minneapolis to the Mississippi River, northwesterly along the Mississippi River to U.S. Highway 12, southwesterly along U.S. Highway 12 to Interstate Highway 35W, southwesterly along Interstate Highway 35W to 7th Street South, northwesterly along 7th Street South to 5th Avenue South, southwesterly along 5th Avenue South to 9th Street South, northwesterly along 9th Street South to the eastern boundary of senate district 58, northerly along the eastern boundary of senate district 58 to the point of origin.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 59 is divided into two*

house districts as follows:

(a) House district 59A consists of that portion of senate district 59 lying north of a line described as follows: commencing at the intersection of the Mississippi River and 8th Avenue Northeast, northeasterly along 8th Avenue Northeast to the east bank of the Mississippi River, southeasterly along the east bank of the Mississippi River to 3rd Avenue Northeast, northeasterly along 3rd Avenue Northeast to 5th Street Northeast, northwesterly along 5th Street Northeast to Broadway Street Northeast, easterly along Broadway Street Northeast to Central Avenue Northeast, northerly along Central Avenue Northeast to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad tracks to Fillmore Street Northeast, northerly along Fillmore Street Northeast to 14th Avenue Northeast, easterly along 14th Avenue Northeast to Johnson Street Northeast, southerly along Johnson Street Northeast to Interstate Highway 35W, northeasterly and easterly along Interstate Highway 35W to the eastern boundary of the city of Minneapolis.

(b) House district 59B consists of that portion of senate district 59 not included in house district 59A.

Sec. 61. [2.623] [SIXTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 60 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and West 50th Street, easterly along West 50th Street to Penn Avenue South, northerly along Penn Avenue South to Lake Harriet Parkway, easterly and northeasterly along Lake Harriet Parkway to West 46th Street, easterly along West 46th Street to Nicollet Avenue South, northerly along Nicollet Avenue South to West 36th Street, westerly along West 36th Street to Blaisdell Avenue South, northerly along Blaisdell Avenue South to West 34th Street, westerly along West 34th Street to Grand Avenue South, northerly along Grand Avenue South to West 32nd Street, westerly along West 32nd Street to Harriet Avenue South, northerly along Harriet Avenue South to West 31st Street, westerly along West 31st Street to Garfield Avenue South, northerly along Garfield Avenue South to West Lake Street, westerly along West Lake Street to Lyndale Avenue South, northerly along Lyndale Avenue South to Interstate Highway 94, easterly along Interstate Highway 94 and Interstate Highway 35W to the southern boundary of senate district 59, northwesterly along the southern boundary of senate district 59 to the southern boundary of senate district 58, westerly along the southern boundary of senate district 58 to the western boundary of the city of Minneapolis, southerly along the western boundary of the city of Minneapolis to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 60 is divided into two house districts as follows:

(a) House district 60A consists of that portion of senate district 60 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and West Lake Street, easterly along West Lake Street to the eastern boundary of senate district 60.

(b) House district 60B consists of that portion of senate district 60 not included in house district 60A.

Sec. 62. [2.633] [SIXTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 61 consists of that

portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of Lyndale Avenue South and Interstate Highway 94, easterly and northeasterly along Interstate Highway 94 and Interstate Highway 35W to U.S. Highway 12, easterly along U.S. Highway 12 to Cedar Avenue South, southerly along Cedar Avenue South to Hiawatha Avenue, southerly along Hiawatha Avenue to East 28th Street, westerly along East 28th Street to 21st Avenue South, southerly along 21st Avenue South to East 32nd Street, westerly along East 32nd Street to 19th Avenue South, southerly along 19th Avenue South to East 34th Street, westerly along East 34th Street to Bloomington Avenue South, southerly along Bloomington Avenue South to East 36th Street, westerly along East 36th Street to 10th Avenue South, southerly along 10th Avenue South to East 38th Street, westerly along East 38th Street to Elliot Avenue South, southerly along Elliot Avenue South to East 44th Street, westerly along East 44th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 50th Street, westerly along East 50th Street to Park Avenue South, southerly along Park Avenue South to East Minnehaha Parkway, westerly along East Minnehaha Parkway to East 50th Street, westerly along East 50th Street to Stevens Avenue South, northerly along Stevens Avenue South to East 46th Street, westerly along East 46th Street to the eastern boundary of senate district 60, northerly along the eastern boundary of senate district 60, to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 61 is divided into two house districts as follows:

(a) House district 61A consists of that portion of senate district 61 lying north of a line described as follows: commencing at the intersection of the western boundary of senate district 61 and West 25th Street, easterly along West 25th Street to Pillsbury Avenue South, southerly along Pillsbury Avenue South to West 26th Street, easterly along West 26th Street to 1st Avenue South, southerly along 1st Avenue South to West Lake Street, easterly along West Lake Street to the eastern boundary of senate district 61.

(b) House district 61B consists of that portion of senate district 61 not included in house district 61A.

Sec. 63. [2.643] [SIXTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 62 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of U.S. Highway 12 and Cedar Avenue South, northeasterly along U.S. Highway 12 to the Mississippi River, southeasterly and southerly along the Mississippi River to the extension of East 54th Street, westerly along the extension of East 54th Street and East 54th Street to 40th Avenue South, southerly along 40th Avenue South to East 55th Street, easterly along East 55th Street to 41st Avenue South, southerly along 41st Avenue South to East 56th Street, westerly along East 56th Street to 28th Avenue South, southerly along 28th Avenue South to East 58th Street, westerly along East 58th Street and its extension to 14th Avenue South, northerly along 14th Avenue South to East 54th Street, easterly along East 54th Street to Bloomington Avenue South, northerly along Bloomington Avenue South to East 48th Street, westerly along East 48th Street to the eastern boundary of senate district 61, northerly along the eastern boundary of senate district 61 to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 62 is divided into two



house districts as follows:

(a) House district 62A consists of that portion of senate district 62 lying north of a line described as follows: commencing at the intersection of the western boundary of senate district 62 and East 36th Street, easterly along East 36th Street to Cedar Avenue South, southerly along Cedar Avenue South to East 38th Street, easterly along East 38th Street to Hiawatha Avenue, southeasterly along Hiawatha Avenue to East 42nd Street, easterly along East 42nd Street and its extension to the Mississippi River.

(b) House district 62B consists of that portion of senate district 62 not included in house district 62A.

Sec. 64. [2.653] [SIXTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 63 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis not contained in senate district 57, 58, 59, 60, or 61; that portion of the city of Richfield lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Richfield and West 57th Street, easterly along West 57th Street to Interstate Highway 35W, southerly along Interstate Highway 35W to West 73rd Street, easterly along West 73rd Street to 2nd Avenue South, southerly along 2nd Avenue South to the southern boundary of the city of Richfield, easterly along the southern boundary of the city of Richfield to the eastern boundary of the city of Richfield; the unorganized territory of Fort Snelling; and the Minneapolis-Saint Paul International Airport.

Subd. 2. [HOUSE DISTRICTS.] Senate district 63 is divided into two house districts as follows:

(a) House district 63A consists of that portion of senate district 63 north of a line described as follows: commencing at the intersection of the western boundary of the city of Richfield and interstate highway 494, easterly along interstate highway 494 to Lyndale Avenue South, northerly along Lyndale Avenue South to West 58th Street, easterly along West 58th Street to interstate highway 35W, southerly along interstate highway 35W to East 60th Street, easterly along East 60th Street to Portland Avenue South, northerly along Portland Avenue South to East 57th Street, southeasterly along East 57th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 58th Street, easterly along East 58th Street to the western boundary of senate district 62.

(b) House district 63B consists of that portion of senate district 63 not included in house district 63A.

Sec. 65. [2.673] [SIXTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 64 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the western boundary of the city of St. Paul and the southern boundary of senate district 66, easterly along the southern boundary of senate district 66 to Hamline Avenue, southerly along Hamline Avenue to Ayd Mill Road southeasterly along Ayd Mill Road to Summit Avenue, easterly along Summit Avenue to Griggs Street, northerly along Griggs Street to Portland Avenue, easterly along Portland Avenue to Dale Street, southerly along Dale Street to Summit Avenue, easterly and northeasterly along Summit Avenue to Western Avenue, southerly along Western Avenue and its extension to Ramsey

*Street, easterly along Ramsey Street and Grand Avenue to Interstate Highway 35E, southwesterly along Interstate Highway 35E to St. Clair Avenue, westerly along St. Clair Avenue to Victoria Avenue, southerly along Victoria Avenue to Jefferson Avenue, westerly along Jefferson Avenue to Interstate Highway 35E, southerly along Interstate Highway 35E to the southern boundary of the city of St. Paul, southwesterly, northerly, westerly, and northwesterly along the southern boundary of the city of St. Paul to the western boundary of the city of St. Paul, northerly along the western boundary of the city of St. Paul to the point of origin.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 64 is divided into two house districts as follows:*

*(a) House district 64A consists of that portion of senate district 64 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of St. Paul and the extension of St. Clair Avenue, easterly along the extension of St. Clair Avenue and St. Clair Avenue to Snelling Avenue, southerly along Snelling Avenue to Jefferson Avenue, easterly along Jefferson Avenue to Lexington Parkway, northerly along Lexington Parkway to the Soo Line railroad tracks, easterly along the Soo Line railroad tracks to the eastern boundary of senate district 64B.*

*(b) House district 64B consists of that portion of senate district 64 not included in house district 64A.*

**Sec. 66. [2.683] [SIXTY-FIFTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 65 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the southern boundary of the city of St. Paul and the eastern boundary of senate district 64, northerly, easterly, northerly, and northeasterly along the eastern boundary of senate district 64 to Grand Avenue, westerly along Grand Avenue and Ramsey Street to the extension of Western Avenue, northerly along the extension of Western Avenue and Western Avenue to Summit Avenue, southwesterly and westerly along Summit Avenue to Dale Street, northerly along Dale Street, to Portland Avenue, westerly along Portland Avenue to Griggs Street, southerly along Griggs Street to Summit Avenue, westerly along Summit Avenue to Ayd Mill Road, northwesterly along Ayd Mill Road to Hamline Avenue, northerly along Hamline Avenue to Charles Avenue, easterly along Charles Avenue to Lexington Parkway, northerly along Lexington Parkway to Minnehaha Avenue, easterly along Minnehaha Avenue to Dale Street, northerly along Dale Street to the Burlington Northern Railroad tracks, easterly along the Burlington Northern Railroad tracks past Interstate Highway 35E to the north-south Burlington Northern Railroad tracks, southeasterly along the north-south Burlington Northern Railroad tracks and their extension to the Mississippi River, southerly along the Mississippi River to the southern boundary of the city of St. Paul, westerly and southwesterly along the southern boundary of the city of St. Paul to the point of origin.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 65 is divided into two house districts as follows:*

*(a) House district 65A consists of that portion of senate district 65 lying west of a line described as follows: commencing at the intersection of the northern boundary of senate district 65 and Rice Street, southerly along Rice Street to John Ireland Boulevard, southwesterly along John Ireland*

*Boulevard to Summit Avenue, southwesterly along Summit Avenue to the southern boundary of senate district 65.*

*(b) House district 65B consists of that portion of senate district 65 not included in house district 65A.*

**Sec. 67. [2.693] [SIXTY-SIXTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 66 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the western boundary of the city St. Paul with the northern boundary of the city of St. Paul, easterly along the northern boundary of the city of St. Paul to Interstate Highway 35E, southerly along Interstate Highway 35E to Arlington Avenue, easterly and southeasterly along Arlington Avenue and Wheelock Parkway to Maryland Avenue, westerly along Maryland Avenue to Edgerton Street, southerly along Edgerton Street to Cook Avenue, westerly along Cook Avenue to DeSoto Street, southerly along DeSoto Street to Case Avenue, westerly along Case Avenue and its extension to Interstate Highway 35E, southerly along Interstate Highway 35E to the Burlington Northern railroad tracks, westerly along the Burlington Northern railroad tracks to Dale Street, southerly along Dale Street to Minnehaha Avenue, westerly along Minnehaha Avenue to Lexington Parkway, southerly along Lexington Parkway to Charles Avenue, westerly along Charles Avenue to Hamline Avenue, southerly along Hamline Avenue to Interstate Highway 94, westerly along Interstate Highway 94 to the western boundary of the city of St. Paul, northerly along the western boundary of the city of St. Paul to the point of origin.*

*Subd. 2. [HOUSE DISTRICTS.] Senate district 66 is divided into two house districts as follows:*

*(a) House district 66A consists of that portion of senate portion 66 lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Paul with Grotto Street, southerly along Grotto Street to Arlington Avenue, westerly along Arlington Avenue to Lexington Parkway, southerly along Lexington Parkway to East Como Lake Road, southerly along East Como Lake Road to Victoria Street, southerly along Victoria Street to the Burlington Northern Railroad tracks, westerly along the Burlington Northern Railroad tracks to Chatsworth Street, southerly along Chatsworth Street to Front Avenue, easterly along Front Avenue to Western Avenue, southerly along Western Avenue to the southern boundary of senate district 66.*

*(b) House district 66B consists of that portion of senate district 66 not included in house district 66A.*

**Sec. 68. [2.703] [SIXTY-SEVENTH DISTRICT.]**

*Subdivision 1. [SENATE DISTRICT.] Senate district 67 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the southern boundary of the city of St. Paul with the eastern boundary of senate district 65, northerly and northwesterly along the eastern boundary of senate district 65 to the northern boundary of senate district 65, westerly along the northern boundary of senate district 65 to the eastern boundary of senate district 66, northerly and easterly along the eastern boundary of senate district 66 to Maryland Avenue, easterly along Maryland Avenue to Kennard Street, northerly along Kennard Street to Sherwood Avenue, easterly*

along Sherwood Avenue to White Bear Avenue, northerly along White Bear Avenue to the northern boundary of the city of St. Paul, easterly along the northern boundary of the city of St. Paul to the eastern boundary of the city of St. Paul, southerly along the eastern boundary of the city of St. Paul to the southern boundary of the city of St. Paul, westerly and northwesterly along the southern boundary of the city of St. Paul to the point of origin.

*Subd. 2. [HOUSE DISTRICTS.] Senate district 67 is divided into two house districts as follows:*

*(a) House district 67A consists of that portion of senate district 67 lying north of a line described as follows: commencing at the intersection of the eastern boundary of senate district 67 with Old Hudson Road, westerly along Old Hudson Road to Ruth Street, northerly along Ruth Street to Minnehaha Avenue, easterly along Minnehaha Avenue to Frank Street, northerly along Frank Street to East Seventh Street, easterly along East Seventh Street to Earl Street, northerly along Earl Street to the Burlington Northern railroad tracks, easterly along the Burlington Northern railroad tracks to the eastern boundary of senate district 67.*

*(b) House district 67B consists of that portion of senate district 67 not included in house district 67A.*

#### Sec. 69. [REPEALER.]

*Minnesota Statutes 1990, sections 2.019; 2.042; 2.052; 2.062; 2.072; 2.082; 2.092; 2.102; 2.112; 2.122; 2.132; 2.142; 2.152; 2.162; 2.172; 2.182; 2.192; 2.202; 2.212; 2.222; 2.232; 2.242; 2.252; 2.262; 2.272; 2.282; 2.292; 2.302; 2.312; 2.322; 2.332; 2.342; 2.352; 2.362; 2.372; 2.382; 2.392; 2.402; 2.412; 2.422; 2.432; 2.442; 2.452; 2.462; 2.472; 2.482; 2.492; 2.502; 2.512; 2.522; 2.532; 2.542; 2.552; 2.562; 2.572; 2.582; 2.592; 2.602; 2.612; 2.622; 2.632; 2.642; 2.652; 2.662; 2.672; 2.682; 2.692; and 2.702, are repealed."*

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

### SECOND READING OF SENATE BILLS

S.F. No. 1571 was read the second time.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Chmielewski moved that the following members be excused for a Conference Committee on H.F. No. 1422 at 4:30 p.m.:

Mr. Finn, Ms. Flynn, Messrs. Halberg, Riveness and Chmielewski. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1631 at 4:00 p.m.:

Messrs. Cohen, Luther, McGowan, Merriam and Kroening. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Metzen moved that H.F. No. 381, No. 51 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Finn moved that H.F. No. 1286 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1120, now on General Orders. The motion prevailed.

**MEMBERS EXCUSED**

Messrs. Belanger; Bernhagen; Benson, D.D.; Frederickson, D.J.; Johnson, D.J.; Price and Ms. Reichgott were excused from the Session of today from 12:00 noon to 2:00 p.m. and from this evening's Session. Mr. Pogemiller was excused from the Session of today from 12:00 noon to 2:30 p.m. Mr. Novak was excused from the Session of today from 3:30 to 4:15 p.m. and 4:45 to 9:10 p.m. Mmes. Pariseau and Benson, J.E. were excused from the Session of today from 4:45 to 6:00 p.m. Mr. Sams was excused from the Session of today from 10:20 to 10:30 p.m. Mr. Lessard was excused from the Session of today from 9:15 to 10:15 p.m. Mr. Mondale was excused from the Session of today from 8:00 to 9:45 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, May 16, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTY-FIFTH DAY

St. Paul, Minnesota, Thursday, May 16, 1991

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

### CALL OF THE SENATE

Mr. DeCramer 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. Marilyn S. Breckenridge.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moc, 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.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 14, 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
	807	75	11:40 a.m. May 13	May 13
	1282	76	11:50 a.m. May 13	May 13
	173	77	1:59 p.m. May 13	May 13
	248	78	1:55 p.m. May 13	May 13
	584	79	11:55 a.m. May 13	May 13
	479	80	11:55 a.m. May 13	May 13
	623	81	2:04 p.m. May 13	May 13
1074		82	2:09 p.m. May 13	May 13
593		83	11:57 a.m. May 13	May 13
	1208	84	11:59 a.m. May 13	May 13

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 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; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

Senate File No. 510 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

### CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 510 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 510: A bill for an act relating to agriculture; changing the egg law; imposing a penalty; requiring the commissioner of agriculture to survey certain meat processors to determine interest in a state meat inspection program; requiring a report; appropriating money; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 525: A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; 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, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

Senate File No. 525 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 525, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 588: A bill for an act relating to crime; providing penalties for intentional damage to timber processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage



timber processing, manufacturing, or transportation equipment; proposing coding for new law in Minnesota Statutes, chapter 609.

Senate File No. 588 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

### CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 588 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 588 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Frank	Kroening	Moe, R.D.	Renneke
Belanger	Frederickson, D.J.	Laidig	Mondale	Sams
Benson, J.E.	Frederickson, D.R.	Langseth	Morse	Samuelson
Berg	Gustafson	Larson	Neuville	Spear
Berglin	Hottinger	Lessard	Olson	Stumpf
Bertram	Hughes	Marty	Pappas	Traub
Davis	Johnson, D.E.	McGowan	Piper	Waldorf
Day	Johnston	Mehrkens	Pogemiller	
DeCramer	Kelly	Merriam	Price	
Finn	Knaak	Metzen	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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 520: A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

Senate File No. 520 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Kelly moved that S.F. No. 520 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 765: A bill for an act relating to transportation; clarifying parking provisions for physically disabled persons; authorizing special license plates for motorcycles; authorizing tinted windshields for medical reasons; abolishing requirement to impound vehicle registration certificates; making technical changes; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 168.041; 169.123, subdivision 5b; 169.345, subdivision 1; 169.346, subdivisions 1 and 2; 169.71, subdivision 4; 169.795; and 171.29, subdivision 3.

Senate File No. 765 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Marty moved that the Senate do not concur in the amendments by the House to S.F. No. 765, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 1034 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 1034 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1034 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1295: A bill for an act relating to Ramsey county; creating a Ramsey county local services study commission; setting its duties.

Senate File No. 1295 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 1295, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Ms. Berglin moved that S.F. No. 950 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 783: 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; creating a medical waste task force; 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.

Senate File No. 783 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Moe, R.D. moved that S.F. No. 783 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 764 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1991

Mr. Moe, R.D. moved that S.F. No. 764 be laid on the table. The motion prevailed.

## REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1009 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.
				1009	966

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1009 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1009 and insert the language after the enacting clause of S.F. No. 966, the third engrossment; further, delete the title of H.F. No. 1009 and insert the title of S.F. No. 966, the third engrossment.

And when so amended H.F. No. 1009 will be identical to S.F. No. 966, and further recommends that H.F. No. 1009 be given its second reading and substituted for S.F. No. 966, 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. 322 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
322	257				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 322 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 322 and insert the language after the enacting clause of S.F. No. 257, the second engrossment; further, delete the title of H.F. No. 322 and insert the title of S.F. No. 257, the second engrossment.

And when so amended H.F. No. 322 will be identical to S.F. No. 257, and further recommends that H.F. No. 322 be given its second reading and substituted for S.F. No. 257, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1129 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.
1129	1194				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1129 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1129 and insert the language after the enacting clause of S.F. No. 1194, the first engrossment; further, delete the title of H.F. No. 1129 and insert the title of S.F. No. 1194, the first engrossment.

And when so amended H.F. No. 1129 will be identical to S.F. No. 1194, and further recommends that H.F. No. 1129 be given its second reading and substituted for S.F. No. 1194, 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. 1246 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.
1246	944				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1246 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1246 and insert the language after the enacting clause of S.F. No. 944, the second engrossment; further, delete the title of H.F. No. 1246 and insert the title of S.F. No. 944, the second engrossment.

And when so amended H.F. No. 1246 will be identical to S.F. No. 944, and further recommends that H.F. No. 1246 be given its second reading and substituted for S.F. No. 944, 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. 628 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.
628	542				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 628 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 628 and insert the language after the enacting clause of S.F. No. 542, the second engrossment; further, delete the title of H.F. No. 628 and insert the title of S.F. No. 542, the second engrossment.

And when so amended H.F. No. 628 will be identical to S.F. No. 542, and further recommends that H.F. No. 628 be given its second reading and substituted for S.F. No. 542, 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. 303 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.
				303	256

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 303 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 303 and insert the language after the enacting clause of S.F. No. 256, the second engrossment; further, delete the title of H.F. No. 303 and insert the title of S.F. No. 256, the second engrossment.

And when so amended H.F. No. 303 will be identical to S.F. No. 256, and further recommends that H.F. No. 303 be given its second reading and substituted for S.F. No. 256, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 1009, 322, 1129, 1246, 628 and 303 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Price moved that the name of Mr. Luther be added as a co-author to S.F. No. 800. The motion prevailed.

Mr. Spear moved that S.F. No. 526 be taken from the table. The motion prevailed.

S.F. No. 526: A bill for 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.

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 526, 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. Mondale moved that S.F. No. 350 be taken from the table. The motion prevailed.

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.

### CONCURRENCE AND REPASSAGE

Mr. Mondale moved that the Senate concur in the amendments by the House to S.F. No. 350 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 350 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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



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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1179, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1179 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1991

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1179

A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

May 9, 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. 1179, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1179 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [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, housing, 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;*

*(4) examine the anticipated effects of a light rail transit system on the economic and social condition of the fully developed area; and*

*(5) 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. 2. [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 the first year of each biennium for review by the committees of each body that have jurisdiction over the metropolitan agencies.*

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; providing for legislative review of metropolitan agency budgets; directing the metropolitan council to conduct a study; proposing coding for new law in Minnesota Statutes, chapter 473."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Myron W. Orfield, Edwina Garcia, Peggy Leppik

Senate Conferees: (Signed) Ted A. Mondale, Jane B. Ranum, Terry D. Johnston

Mr. Mondale moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1179 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. 1179 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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
Berglin	Frederickson, D.J.	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.R.	Larson	Olson	Spear
Bertram	Gustafson	Lessard	Pappas	Storm
Brataas	Halberg	Luther	Pariseau	Stumpf
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Price	Vickerman
Davis	Johnson, D.E.	Mehrkens	Ranum	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

**CALENDAR**

H.F. No. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Finn, Knaak and Neuville voted in the negative.

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Lessard	Sams
Beckman	Chmielewski	Hottinger	McGowan	Samuelson
Belanger	Davis	Johnson, D.E.	Mehrkens	Solon
Benson, D.D.	Day	Johnston	Morse	Storm
Benson, J.E.	DeCramer	Kroening	Neuville	Stumpf
Berg	Frank	Laidig	Olson	Vickerman
Bernhagen	Frederickson, D.J.	Langseth	Piper	
Bertram	Frederickson, D.R.	Larson	Renneke	

Those who voted in the negative were:

Berglin	Halberg	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Price	Waldorf
Dahl	Johnson, D.J.	Merriam	Ranum	
Dicklich	Johnson, J.B.	Metzen	Reichgott	
Finn	Kelly	Mondale	Riveness	
Flynn	Knaak	Pappas	Spear	

So the bill passed and its title was agreed to.

H.F. No. 218: 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; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Kroening	Olson	Spear
Benson, J.E.	Frank	Laidig	Pappas	Storm
Berglin	Hottinger	Larson	Pariseau	Traub
Brataas	Hughes	Luther	Piper	Waldorf
Dahl	Johnson, D.J.	Marty	Ranum	
Davis	Johnston	McGowan	Reichgott	
Dicklich	Kelly	Merriam	Samuelson	
Finn	Knaak	Metzen	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Halberg	Moe, R.D.	Riveness
Beckman	Cohen	Johnson, D.E.	Mondale	Sams
Benson, D.D.	Day	Johnson, J.B.	Morse	Stumpf
Berg	DeCramer	Langseth	Neuville	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Price	
Bertram	Frederickson, D.R.	Mehrrens	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1542: 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; proposing coding for new law in Minnesota Statutes, chapter 116.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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 and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, J.E.	Halberg	Neuville	Pariseau	Stumpf
Chmielewski	Knaak			

So the bill passed and its title was agreed to.

S. F. No. 607: A bill for an act relating to highways; permitting the inclusion of certain city streets in the county state-aid street system; amending Minnesota Statutes 1990, section 162.02, subdivision 12.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 511: A bill for an act relating to natural resources; expanding the coverage and purposes of the watercraft surcharge; providing for informational materials; amending Minnesota Statutes 1990, sections 86B.415, subdivision 7; and 103G.617, 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski	Day	Johnston	McGowan	Samuelson
Davis				

So the bill passed and its title was agreed to.

S.F. No. 716: A bill for an act relating to domestic abuse; 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; 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; amending Minnesota Statutes 1990, sections 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; and 629.72, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Knaak	Mondale	Sams
Benson, J.E.	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	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 702: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Riveness
Beckman	Day	Johnston	Metzen	Sams
Belanger	DeCramer	Kelly	Moe, R.D.	Samuelson
Benson, D.D.	Dicklich	Knaak	Mondale	Solon
Benson, J.E.	Finn	Kroening	Morse	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	Price	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Knaak	Mondale	Sams
Benson, J.E.	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	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 694: 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; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; 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; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 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	Johnston	Metzen	Renneke
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Riveness
Benson, J.E.	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	Pappas	Stumpf
Chmielewski	Halberg	Luther	Pariseau	Traub
Cohen	Hottinger	Marty	Piper	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dahl moved that S.F. No. 764 be taken from the table. The motion prevailed.

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.

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 764, 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. Dahl moved that S.F. No. 783 be taken from the table. The motion prevailed.

S.F. No. 783: 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; creating a medical waste task force; 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.

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 783, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 525: Messrs. Spear, Cohen, Kelly, McGowan and Marty.

S.F. No. 1295: Messrs. Cohen, Kelly and Knaak.

S.F. No. 526: Mr. Spear, Ms. Ranum and Mr. Neville.

S.F. No. 765: Mr. Marty, Ms. Flynn and Mrs. Benson, J.E.

S.F. No. 208: Messrs. DeCramer, Langseth and Mehrkens.

H.F. No. 551: Mr. Finn, Ms. Ranum, Messrs. Marty, Neville and McGowan.

H.F. No. 1197: Messrs. Luther, Hottinger and Day.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 764: Messrs. Dahl, Dicklich and Metzen.

S.F. No. 783: Messrs. Dahl, Lessard and Larson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 860, which the committee recommends to pass.

S. F. No. 768, which the committee recommends to pass with the following amendments offered by Mr. Hottinger, Ms. Pappas and Mr. Kroening:

Mr. Hottinger moved to amend S.F. No. 768 as follows:

Page 1, line 9, after "agency" insert "*whose vacancies are filled under this section*"

Page 1, line 10, after the period, insert "*In determining gender balance, ex officio membership positions must be excluded.*"

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 15.0597, is amended by adding a subdivision to read:

*Subd. 5b. [DEVIATION.] Notwithstanding section 1, persons of an under-represented gender may constitute less than half of the membership of an agency if the agency certifies to the secretary of state that:*

*(1) the agency serves the needs or addresses the concerns of a specific gender-defined population; or*

*(2) after a good faith effort to achieve gender balance in accordance with section 1, the appointing authority has been unable to find enough persons of the underrepresented gender who are qualified and willing to accept appointment.*

*The secretary of state's annual report on the open appointments act must include information on certifications under this subdivision.*

Sec. 3. [TOTAL AGENCY MEMBERSHIP.]

*Appointing authorities, in cooperation with one another, shall make a good faith effort to ensure that, to the greatest extent possible, the membership of all agencies, considered together, is gender balanced.*

Sec. 4. [REPEALER.]

*Sections 2 and 3 are repealed on June 30, 1995."*

Page 1, line 23, delete "*Section 1 does*" and insert "*Sections 1, 2, and 3 do*"

Page 1, line 25, delete "*date*" and insert "*dates*" and delete "*section 1*" and insert "*those sections*"

ReNUMBER the sections in sequence

Amend the title accordingly

Mr. Knaak requested division of the amendment as follows:

First portion:

Page 1, line 9, after "agency" insert "*whose vacancies are filled under this section*"

Page 1, line 10, after the period, insert "*In determining gender balance, ex officio membership positions must be excluded.*"

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 15.0597, is amended by adding a subdivision to read:

*Subd. 5b. [DEVIATION.] Notwithstanding section 1, persons of an under-represented gender may constitute less than half of the membership of an agency if the agency certifies to the secretary of state that:*

*(1) the agency serves the needs or addresses the concerns of a specific gender-defined population; or*

*(2) after a good faith effort to achieve gender balance in accordance with section 1, the appointing authority has been unable to find enough persons of the underrepresented gender who are qualified and willing to accept appointment.*

*The secretary of state's annual report on the open appointments act must include information on certifications under this subdivision.*

Sec. 3. [REPEALER.]

*Sections 2 is repealed on June 30, 1995."*

Page 1, line 23, delete "Section 1 does" and insert "Sections 1 and 2 do"

Page 1, line 25, delete "date" and insert "dates" and delete "section 1" and insert "those sections"

Renumber the sections in sequence

Amend the title accordingly

Second portion:

Page 1, after line 20, insert:

"Sec. 2. [TOTAL AGENCY MEMBERSHIP.]

*Appointing authorities, in cooperation with one another, shall make a good faith effort to ensure that, to the greatest extent possible, the membership of all agencies, considered together, is gender balanced.*

Sec. 3. [REPEALER.]

*Section 2 is repealed on June 30, 1995."*

Page 1, line 23, delete "Section 1 does" and insert "Sections 1 and 2 do"

Page 1, line 25, delete "date" and insert "dates" and delete "section 1" and insert "those sections"

Renumber the sections in sequence

Amend the title accordingly

Ms. Pappas moved to amend the Hottinger amendment to S.F. No. 768

as follows:

Page 1, delete lines 20 to 22

The motion prevailed. So the amendment to the amendment was adopted.

The question was taken on the adoption of the first portion of the Hottinger amendment, as amended.

The roll was called, and there were yeas 32 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Morse	Solon
Beckman	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Hottinger	Langseth	Pappas	Traub
Cohen	Hughes	Luther	Price	Vickerman
Davis	Johnson, D.J.	Marty	Ranum	
Finn	Johnson, J.B.	Metzen	Reichgott	
Flynn	Kelly	Mondale	Sams	

Those who voted in the negative were:

Benson, D.D.	Day	Knaak	Mehrkens	Storm
Benson, J.E.	Gustafson	Larson	Neuville	
Bernhagen	Johnson, D.E.	Lessard	Pariseau	
Brataas	Johnston	McGowan	Renneke	

The motion prevailed. So the first portion of the amendment, as amended, was adopted.

The question was taken on the adoption of the second portion of the Hottinger amendment, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Knaak	Mondale	Riveness
Beckman	Flynn	Kroening	Morse	Sams
Benson, D.D.	Frank	Laidig	Neuville	Solon
Benson, J.E.	Frederickson, D.J.	Langseth	Novak	Spear
Berglin	Hottinger	Larson	Pappas	Storm
Bernhagen	Hughes	Lessard	Pariseau	Traub
Bertram	Johnson, D.E.	Luther	Pogemiller	Vickerman
Brataas	Johnson, D.J.	Marty	Price	
Chmielewski	Johnson, J.B.	McGowan	Ranum	
Cohen	Johnston	Mehrkens	Reichgott	
Davis	Kelly	Metzen	Renneke	

The motion prevailed. So the second portion of the amendment, as amended, was adopted.

Mr. Kroening moved to amend S.F. No. 768 as follows:

Page 1, line 20, after the period, insert *"In addition, appointing authorities shall endeavor to ensure that the membership of agencies governed by this section reflect racial, ethnic, and socioeconomic diversity to the extent possible."*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Mehrkens	Ranum
Beckman	Day	Kelly	Metzen	Reichgott
Belanger	Flynn	Knaak	Mondale	Renneke
Benson, D.D.	Frank	Kroening	Morse	Riveness
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Sams
Bernhagen	Gustafson	Langseth	Novak	Solon
Bertram	Hottinger	Larson	Pappas	Spear
Brataas	Hughes	Lessard	Pariseau	Storm
Chmielewski	Johnson, D.J.	Luther	Pogemiller	Traub
Cohen	Johnson, J.B.	Marty	Price	Vickerman

The motion prevailed. So the amendment was adopted.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 2:30 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Chmielewski moved that the following members be excused for a Conference Committee on H.F. No. 1422 at 4:00 p.m.:

Mr. Finn, Ms. Flynn, Messrs. Halberg, Riveness and Chmielewski. The motion prevailed.

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 666, 93, 780, 494, 414 and H.F. Nos. 99, 1353, 354, which the committee recommends to pass.

H.F. No. 783, which the committee recommends to pass subject to the following motions:

Mr. Frederickson, D.R. moved to amend H.F. No. 783, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 842.)

Page 24, after line 2, insert:

“Sec. 45. [MORATORIUM ON DELEGATION AGREEMENTS.]

*Until January 1, 1993, the commissioner of health may not enter into additional delegation agreements under Minnesota Statutes, section*

1031.111.”

Page 24, after line 5, insert:

“Sec. 47. [EFFECTIVE DATE.]

*Section 45 is effective the day following final enactment.*”

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Bertram	Frederickson, D.R.	Renneke	Vickerman
Berg				

Those who voted in the negative were:

Adkins	Frank	Langseth	Morse	Reichgott
Benson, D.D.	Gustafson	Luther	Novak	Riveness
Benson, J.E.	Hughes	Marty	Pappas	Spear
Bernhagen	Johnson, D.J.	Metzen	Pariseau	Storm
Brataas	Johnson, J.B.	Moe, R.D.	Price	Traub
Day	Johnston	Mondale	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Day moved to amend H.F. No. 783, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 842.)

Page 24, after line 2, insert:

“Sec. 45. [WATER WELL COMPLIANCE IN CERTAIN CASES.]

*(a) When substantial alterations or improvements are made to an existing agricultural chemical facility in Steele county, a variance for a water well may be granted if:*

*(1) the well existed and was in use by the operators of the agricultural chemical facility prior to the alterations or improvements;*

*(2) the well is a minimum of 50 feet from facilities where agricultural pesticides are stored or handled; and*

*(3) the alterations or improvements are installed with safeguards as defined in section 18B.01, subdivision 26.*

*(b) Water from the existing well shall be tested semi-annually for nitrates and other volatile organic compounds. The testing must be paid for by the owner of the well.”*

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1317, which the committee recommends to pass with the following amendment offered by Mr. Frank:

Page 1, line 16, after “*practices*” insert “*or pursuant to the provisions of a collective bargaining agreement*”

Pages 1 and 2, delete section 2 and insert:

“Sec. 2. Minnesota Statutes 1990, section 181.9413, is amended to read:  
181.9413 [SICK OR INJURED CHILD CARE LEAVE.]

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of *or injury* to the employee's child for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness *or injury*. This section applies only to *personal* sick leave benefits payable to the employee from the employer's general assets.

(b) For purposes of this section, “personal sick leave benefits” means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.”

The motion prevailed. So the amendment was adopted.

H.F. No. 321 which the committee reports progress, subject to the following motions:

Mr. Spear moved to amend H.F. No. 321, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 228.)

Page 3, delete lines 28 to 30 and insert:

*“Notwithstanding section 518.13, subdivision 5, before awarding joint physical custody, the court shall question the parties to determine that the parents have demonstrated that they can be flexible and cooperative so that joint physical custody will be in the best interests of the child.”*

Amend the title as follows:

Page 1, line 9, delete everything before “marriage”

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 321, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 228.)

Page 3, delete section 4

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 7, delete “limiting joint custody;”

Page 1, lines 12 and 13, delete “518.17, subdivision 2;” and insert “and”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 13, as follows:

Those who voted in the affirmative were:



Belanger	Cohen	Kelly	Merriam	Storm
Benson, D.D.	Frank	Knaak	Neuville	Stumpf
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	Waldorf
Berg	Hughes	Larson	Pariseau	
Bernhagen	Johnson, D.E.	Lessard	Renneke	
Bertram	Johnston	McGowan	Sams	

Those who voted in the negative were:

Adkins	Luther	Morse	Reichgott	Vickerman
Brataas	Marty	Pappas	Spear	
Frederickson, D.J.	Metzen	Ranum	Traub	

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend H.F. No. 321, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 228.)

Page 6, after line 24, insert:

“Sec. 8. Laws 1990, chapter 574, section 26, is amended to read:

Sec. 26. [EFFECTIVE DATE.]

Section 20 is effective August 1, 1990, and applies to actions commenced on or after that date. The provisions of section 22, paragraph (c), allowing retroactive modification of support or maintenance payments in certain cases, are effective July 1, 1991, provided that these provisions do not take effect if a change in or waiver of the existing AFDC requirements is not obtained under section 24.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 321 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

**REPORTS OF COMMITTEES**

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report 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. 1570: A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Report adopted.

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

S.F. No. 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; 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; 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 use of local bridge grant funds to construct drainage structures; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; 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; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.02, subdivision 1b; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1989, chapter 339, section 21.

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

Page 22, delete section 3

Page 25, delete lines 37 and 38

Page 25, line 39, before "*Section*" insert paragraph coding and delete "6" and insert "5"

Renumber the sections of article 6 in sequence

Amend the title as follows:

Page 1, line 32, delete "296.02, subdivision 1b;"

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. 930 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.
				930	982

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 930 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 930 and insert the language after the enacting clause of S.F. No. 982, the fourth engrossment; further, delete the title of H.F. No. 930 and insert the title of S.F. No. 982, the fourth engrossment.

And when so amended H.F. No. 930 will be identical to S.F. No. 982, and further recommends that H.F. No. 930 be given its second reading and substituted for S.F. No. 982, 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. 540 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.
540	1227				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 540 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 540 and insert the language after the enacting clause of S.F. No. 1227, the first engrossment; further, delete the title of H.F. No. 540 and insert the title of S.F. No. 1227, the first engrossment.

And when so amended H.F. No. 540 will be identical to S.F. No. 1227, and further recommends that H.F. No. 540 be given its second reading and substituted for S.F. No. 1227, 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. 1088 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.
1088	1037				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1088 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1088 and insert the language after the enacting clause of S.F. No. 1037, the first engrossment; further, delete the title of H.F. No. 1088 and insert the title of S.F. No. 1037, the first engrossment.

And when so amended H.F. No. 1088 will be identical to S.F. No. 1037, and further recommends that H.F. No. 1088 be given its second reading and substituted for S.F. No. 1037, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 543 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.
				543	819

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 543 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 543 and insert the language after the enacting clause of S.F. No. 819, the third engrossment; further, delete the title of H.F. No. 543 and insert the title of S.F. No. 819, the third engrossment.

And when so amended H.F. No. 543 will be identical to S.F. No. 819, and further recommends that H.F. No. 543 be given its second reading and substituted for S.F. No. 819, 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. 1286 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.
1286	1120				

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. 695 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.
695	835				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 695 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 695 and insert the language after the enacting clause of S.F. No. 835, the third engrossment; further, delete the title of H.F. No. 695 and insert the title of S.F. No. 835, the third engrossment.

And when so amended H.F. No. 695 will be identical to S.F. No. 835, and further recommends that H.F. No. 695 be given its second reading and substituted for S.F. No. 835, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1387 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1387	1286				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1387 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1387 and insert the language after the enacting clause of S.F. No. 1286, the second engrossment; further, delete the title of H.F. No. 1387 and insert the title of S.F. No. 1286, the second engrossment.

And when so amended H.F. No. 1387 will be identical to S.F. No. 1286, and further recommends that H.F. No. 1387 be given its second reading and substituted for S.F. No. 1286, 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 the following appointment as reported in the Journal for May 3, 1991:

#### **TAX COURT**

Kathleen Doar

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. 1570 and 598 were read the second time.

#### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 930, 540, 1088, 543, 1286, 695 and 1387 were read the second time.

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

#### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 3:45 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

#### **GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. No. 321, which the committee recommends to pass with the following amendment offered by Mr. Neuville:

Amend H.F. No. 321, as amended pursuant to Rule 49, adopted by the Senate May 15, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 228.)

Page 3, after line 4, insert:

“Sec. 4. Minnesota Statutes 1990, section 518.17, subdivision 2, is amended to read:

Subd. 2. [FACTORS WHEN JOINT CUSTODY IS SOUGHT.] In addition to the factors listed in subdivision 1, where either joint legal or joint physical custody is contemplated or sought, the court shall consider the following relevant factors:

- (a) The ability of parents to cooperate in the rearing of their children;
- (b) Methods for resolving disputes regarding any major decision concerning the life of the child, and the parents' willingness to use those methods;
- (c) Whether it would be detrimental to the child if one parent were to have sole authority over the child's upbringing; and
- (d) Whether domestic abuse, as defined in section 518B.01, has occurred between the parents.

The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child. However, the court shall use a rebuttable presumption that joint legal or physical custody is not in the best interests of the child if domestic abuse, as defined in section 518B.01, has occurred between the parents.

If the court awards joint legal or physical custody over the objection of a party, the court shall make detailed findings on each of the factors in this subdivision and explain how the factors led to its determination that joint custody would be in the best interests of the child.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that H.F. No. 12 be taken from the table. The motion prevailed.

H.F. No. 12: A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.02 subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 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 a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2;

60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

### 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. 12 and that the rules of the Senate be so far suspended as to give H.F. No. 12 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 12 was read the second time.

Mr. Luther moved to amend H.F. No. 12 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 12, and insert the language after the enacting clause, and the title, of S.F. No. 37, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 12, as amended by the Senate May 16, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 37.)

Page 16, after line 3, insert:

“Sec. 9. [60G.09] [APPLICATION.]

*Sections 1 to 8 apply to domestic insurers and any other insurer doing business in this state whose state of domicile has requested the commissioner of commerce to apply sections 1 to 8.”*

Page 33, line 10, delete the colon

Page 33, line 11, delete “(i)”

Page 33, line 14, delete the semicolon and insert “. *Nothing in this clause excludes coverage for stop-loss, excess, run-off, or similar insurance policies if otherwise covered under sections 61B.18 to 61B.32; and”*

Page 33, delete lines 15 to 23

Page 33, line 24, delete “(10)” and insert “(9)”

Page 34, line 7, delete “for” and insert “in present value”

Page 34, line 11, after “plan” insert “, *except a defined benefit plan,”*

Page 34, delete lines 23 to 26 and insert:

*“(5) with respect to a contract holder covered by an unallocated annuity contract not included in clause (3) or (4), \$5,000,000 in benefits, irrespective of the number of those contracts issued by the impaired insurer to the contract*



holder.

*For purposes of this subdivision, the commissioner shall determine the discount rate to be used in determining the present value of annuity benefits."*

Page 34, delete lines 25 and 26

Page 35, line 28, after the period, insert "*The determination of whether there is a contractual obligation, and the extent of a contractual obligation, shall not be affected by any moratorium, policy lien, or other similar action taken by a court or regulatory authority. Nothing in this definition precludes the commissioner from taking action under section 61B.23, subdivision 9.*"

Page 36, line 4, after "jurisdiction" insert "*. The order referred to in this clause is the initial order granting a petition, application, or other request to begin a liquidation, rehabilitation, or conservatorship*"

Page 37, line 26, after the period, insert "*Chapter 13 and section 471.705 apply to the association, as provided in sections 61B.18 to 61B.32.*"

Page 37, line 32, delete everything after "account"

Page 37, delete lines 33 and 34

Page 37, line 35, delete "1990"

Page 40, line 19, after the comma, insert "*and the commissioner concurs,*"

Page 40, line 20, delete "*and hardship or*"

Page 40, line 21, delete "*emergency withdrawals*"

Page 40, line 22, after "records" insert "*as determined by the commissioner*"

Page 40, delete lines 23 to 25 and insert:

"*If*"

Page 40, line 28, after "owing" insert "*, then the association shall prepare a plan approved by the commissioner for prioritization of payments*"

Page 41, line 19, delete "Assure" and insert "Guarantee"

Page 41, line 33, delete "*Make diligent efforts to*"

Page 44, line 7, after the period, insert "*If another state or jurisdiction providing substantially similar coverage as provided by sections 61B.18 to 61B.32 denies coverage, the association shall provide coverage if the policyholder or contract holder is otherwise eligible, and the association is then subrogated to the rights of the person receiving benefits with respect to the other state or jurisdiction. If a person receiving benefits from the association has a claim remaining against another state or jurisdiction, whether or not such state or jurisdiction provides substantially similar protection within the meaning of this section, then such person's remaining claim has priority over any subrogation rights of the association with respect to that other state or jurisdiction.*"

Page 45, line 32, after "61B.32" insert "*, except that if the person receiving benefits from the association has a claim remaining against the impaired insurer, then such person's remaining claim has priority over the association's subrogation rights*"

Page 48, line 25, after "premiums" insert "*as calculated in subdivision*

3, paragraph (c).”

Page 48, line 26, delete everything after the period and insert “*If an assessment is made with respect to insurers that become impaired in different calendar years, average annual premiums for purposes of the assessment percentage limitation is based upon the higher of the three-year averages calculated under subdivision 3, paragraph (c).*”

Page 48, line 27, delete “*the board of directors determines that*”

Page 52, after line 35, insert:

“(f) *A determination or decision by the commissioner under sections 61B.18 to 61B.32 is not subject to the contested case or rulemaking provisions of chapter 14.*”

Page 57, line 27, delete “*will*” and insert “*may*”

Page 58, line 2, delete “*cash value and/or death benefit*” and insert “*interest rate*”

Page 60, line 20, after “*enactment*” insert a period

Page 60, delete lines 21 to 24 and insert:

“*Minnesota Statutes 1990, sections 61B.01 to 61B.16, apply with respect to an insurer who is placed under an order of liquidation, conservation, rehabilitation, or becomes impaired as defined under section 61B.03, subdivision 9, before the effective date. Sections 1 to 17 apply with respect to an insurer which becomes impaired or insolvent as defined under section 4 after the effective date. The \$5,000,000 limitation for unallocated annuity contracts specified under section 3, subdivision 4, clause (4) or (5), is effective for contracts issued or renewed after the effective date of this article. Unallocated annuity contracts issued or renewed before the effective date are subject to limitations, if any, specified under Minnesota Statutes 1990, section 61B.06, subdivision 8.*”

Page 101, line 22, delete “*establishing*” and insert “*investing in*”

Page 120, lines 19 and 24, after “*examination*” insert “*or audit*”

Page 134, line 8, delete “*financial condition Ex 4 subcommittee*”

Page 142, after line 6, insert:

“Sec. 22. [EXAMINATION AND SELECTION CRITERIA.]

*The commissioner of employee relations shall authorize the commissioner of commerce to establish examination and selection criteria for the initial appointments for the department of commerce positions specified in section 23.*”

Renumber the sections of article 10 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 12, as amended by the Senate May 16, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 37.)

Page 131, after line 11, insert:

*"Subd. 8. [INTERNAL APPRAISER REVIEW.] The department of commerce shall, in addition to any other audits or examinations required or permitted by law, randomly choose at least ten insurers each year for an examination regarding the effectiveness of internal real estate appraisals. The commissioner, in conducting the examination required by this subdivision, shall select a representative sample of all appraisals made by each insurer's internal real estate appraisers. The commissioner shall retain one or more independent real estate appraisers to review the internal appraisals or to reappraise the real estate. If the review indicates significant differences between the appraisals of internal appraisers and the independent appraisers retained by the commissioner, the commissioner may order the insurer to use independent appraisers for all appraisals required by this section.*

*The costs of this examination shall be assessed to the insurer."*

The motion prevailed. So the amendment was adopted.

H.F. No. 12 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knaak	Morse	Reichgott
Belanger	Frank	Kroening	Neuville	Renneke
Benson, D.D.	Frederickson, D.R.	Laidig	Novak	Sams
Benson, J.E.	Hottinger	Larson	Olson	Solon
Berglin	Hughes	Lessard	Pappas	Storm
Bernhagen	Johnson, D.E.	Luther	Pariseau	Traub
Bertram	Johnson, J.B.	Marty	Pogemiller	Vickerman
Cohen	Johnston	McGowan	Price	
Davis	Kelly	Mondale	Ranum	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 950 be taken from the table. The motion prevailed.

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.

### CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 950 and that the bill be placed on its repassage as amended. The motion prevailed.

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; 566.09; 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.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knaak	Morse	Reichgott
Belanger	Frank	Kroening	Neuville	Sams
Benson, D.D.	Frederickson, D.R.	Laidig	Novak	Spear
Benson, J.E.	Gustafson	Larson	Olson	Storm
Berglin	Hottinger	Luther	Pappas	Traub
Bernhagen	Hughes	Marty	Pariseau	Vickerman
Bertram	Johnson, D.E.	McGowan	Piper	
Cohen	Johnston	Moe, R.D.	Pogemiller	
Davis	Kelly	Mondale	Ranum	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that S.F. No. 37, No. 34 on General Orders, be stricken and laid on the table. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:15 p.m. The motion prevailed.

The hour of 6:15 p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

### REPORTS OF COMMITTEES

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

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

H.F. No. 2: A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring

data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; 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

OUTCOMES-BASED PILOT PROJECT

Section 1. [144.7061] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 6, the following terms have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.*

*Subd. 3. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefits under chapter 62A, 62C, 62D, 62H, or 64B, or under section 471.617, subdivision 2. Health coverage also includes coverage provided under chapter 256B and section 256D.03, subdivision 4. 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. 4. [HEALTH PLAN COMPANY.] "Health plan company" means an entity governed by chapter 62A, 62C, 62D, 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. 5. [PRACTICE PARAMETER.] "Practice parameter" means a recommendation used by physicians and other providers in clinical decision making for the purpose of determining when intervention is necessary and in order to minimize unnecessary, unproven, or ineffective care. Practice parameters identify the range of diagnostic, therapeutic, or preventive interventions which will be utilized when documented circumstances indicate that medical treatment is necessary to improve health. Practice parameters must be supported by medical or health citations from appropriately controlled studies.*

Sec. 2. [144.7062] [CONSUMERS' HEALTH IMPROVEMENT PLAN PILOT PROJECT.]

*Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the health care analysis unit, shall establish and administer the consumers' health improvement plan pilot project, and carry out the duties assigned in*

sections 1 to 6.

*Subd. 2. [INITIAL PROJECT AREA.] The commissioner shall select an area or areas of the state in which to initiate the consumers' health improvement plan pilot project according to the following criteria:*

*(a) The initial pilot project area or areas shall include sufficient numbers of health care providers practicing in various health care specialties to ensure full access to all necessary, effective health care by pilot project participants.*

*(b) The initial pilot project area or areas shall contain a sufficient number of participants to allow scientifically and statistically valid analyses to be conducted based upon the data collected.*

*The commissioner, through the health care analysis unit, shall supervise all aspects of the project.*

*Subd. 3. [DUTIES OF THE HEALTH CARE ANALYSIS UNIT.] The health care analysis unit shall:*

*(a) Establish a process for the initial approval, revision, and addition of practice parameters. All practice parameters adopted for use in the pilot project must be supported by medical or health literature citations from appropriate studies so as to minimize unnecessary or ineffective care.*

*(b) Establish system requirements for an outcomes-based management system incorporating practice parameters for use in the pilot project. System requirements shall be broad enough to allow use of more than one brand or variety of software or hardware provided that they meet the compatibility objectives of this subdivision. The system selected shall:*

*(1) allow for direct, automated inputting of all information collected in connection with the delivery of health care;*

*(2) allow participating providers to precertify participants for treatment on the basis of health need and measure outcome against the cost of care;*

*(3) be capable of being operated from facilities used by participating health care providers; and*

*(4) include a report function to allow both providers and consumers access to private provider and private individual data, concerning both the consumers' course of treatment and summary data concerning the comparative outcomes of treatment in similar cases.*

*(c) Establish and maintain a pilot project health outcomes database as follows:*

*(1) determine uniform specifications for the collection, transmission, and maintenance, and dissemination of health outcomes data for the pilot project; and*

*(2) conduct studies and research on the following subjects:*

*(i) new and revised practice parameters to be used in connection with the pilot project;*

*(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;*

*(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;*

(iv) *the cost versus the effectiveness of health care treatments; and*  
(v) *the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the pilot project.*

(d) *Adopt emergency and permanent rules relating to the administration of the pilot project. At a minimum, the rules must provide that:*

(1) *any licensed provider who agrees to render care subject to approved practice parameters and who agrees to implement the project's outcomes-based management system may participate in the pilot project; and*

(2) *initially, participation by pilot project providers is limited to those maintaining offices within 30 miles of the pilot project area or areas. The health care analysis unit may also designate pilot project providers from outside this area to assure that participants have full access to covered health care. Additional providers will be added as the project expands.*

(e) *Establish, in consultation with the health plan company under contract, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles.*

(f) *Establish appropriate eligibility, enrollment, premium, and payment provisions consistent with the purposes of the project.*

(g) *Establish an appeals panel for the timely review and resolution of written complaints brought by a provider or enrollee. The decision of the appeals panel is final and binding.*

*Subd. 4. [SELECTION OF HEALTH PLAN COMPANY.] (a) The commissioner shall select, by competitive bid, a health plan company to manage health care provided to pilot project participants. The health plan company must have demonstrated experience in at least the following areas:*

(1) *health care management;*

(2) *claims administration; and*

(3) *the management of health care information systems.*

(b) *The health plan company shall:*

(1) *adopt a provider fee schedule and negotiate contracts with hospitals and other health care providers, including contracts for drugs and medical equipment, in which fees for services and supplies are equivalent to those prevailing under other local third-party payers;*

(2) *develop financial incentives and disincentives for provider reimbursement designed to further the purposes of the project. Provider reimbursement disincentives shall not be set at a rate lower than 50 percent of the provider fee schedule or contract rate negotiated in clause (1);*

(3) *apply, to the extent they are cost-effective, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles;*

(4) *implement the eligibility, enrollment, and payment provisions established by the commissioner;*

(5) *collect the medical outcomes data specified by the health care analysis unit; and*

(6) *implement all other requirements established by the commissioner*

under subdivision 3.

*Subd. 5. [DATA TRANSFER AND CLASSIFICATION.] The health plan company under contract shall transfer data collected under this section to the health care analysis unit. Data collected on individuals participating in the pilot project are classified as private data on individuals. Summary data may be provided under section 13.03, subdivision 7, and may be released in studies produced by the health care analysis unit and made available to pilot project participants.*

*Subd. 6. [NONDISCOVERABLE AND INADMISSIBLE IN ANY LEGAL PROCEEDING.] Any and all data, clinical norms, medical practice parameters, findings, or other information developed, compiled or collected under sections 1 to 6, including compliance or noncompliance with any medical practice parameters under this pilot program, are not discoverable or admissible in any civil, criminal, or administrative proceeding, including professional licensure proceedings.*

**Sec. 3. [144.7063] [ELIGIBILITY.]**

*Subdivision 1. [PARTICIPATION.] (a) All persons residing in the pilot project area who do not have health care coverage are eligible to participate in the project.*

*(b) Individuals covered by self-insured health plans may receive care rendered subject to practice parameters by pilot project providers, if they live in the pilot project area and they and their benefit plan administrator consent to their participation, and agree to share data relating to cost and outcome with the health care analysis unit.*

*(c) All persons covered under general assistance medical care who reside in the pilot project area are required to participate in the pilot project to the extent they seek care for which there are approved providers providing care subject to approved practice parameters. The commissioner of human services shall seek any federal waivers needed to include medical assistance recipients residing in the pilot project area, to the extent they seek care for which there are approved providers providing care subject to approved practice parameters.*

*(d) All persons residing in the project area who are children's health plan enrollees are eligible to participate in the project.*

*(e) Employees of state and local government are eligible to participate with the approval of their bargaining unit.*

*(f) Premiums for pilot project participants who do not have health coverage, or who are children's health plan enrollees, shall be based on the sliding scale provided in subdivisions 2 and 4. Premiums for self-insured participants, and participants who are employees of state and local government, shall be those required by their existing plan of health benefit coverage. No premiums shall be charged to individuals enrolled in general assistance medical care or medical assistance.*

*Subd. 2. [SLIDING SCALE.] Each individual and family unit without health coverage enrolled in the pilot project shall pay a premium set in relation to adjusted 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 pilot project. 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. The sliding scale must be designed so that individuals and families with adjusted gross incomes less than 25 percent of the federal poverty level pay 1.08 percent of their adjusted gross income, and those with adjusted gross incomes between 250 percent and 275 percent of the federal poverty level pay 6.5 percent of their adjusted gross income. Individuals and families with adjusted 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 pilot project.

*Subd. 3. [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. 4. [CHILDREN'S HEALTH PLAN ENROLLEES.]* The commissioner shall establish a separate sliding scale for children's health plan enrollees. Premiums charged must be proportional to the value of benefits provided by the pilot project that are in addition to those provided under section 256.936. Children's health plan enrollees shall still be required to pay the enrollment fee required by section 256.936.

**Sec. 4. [144.7064] [COVERAGE FOR HEALTH CARE FOR PILOT PROJECT PARTICIPANTS.]**

*Subdivision 1. [PERSONS WITHOUT HEALTH CARE COVERAGE.]* The commissioner, through the health care analysis unit, shall determine basic health care coverage for persons who do not have health care coverage. That coverage shall include:

(1) care that is necessary and effective, as determined by reference to approved practice parameters and validated by measurement of outcomes;

(2) care, including preventive care, determined by the commissioner to be necessary, and for which there exists sufficient study or research data to support a finding that the care is necessary and effective; and

(3) other care determined by the commissioner to be covered, but for which there is insufficient study or research data to support a finding of necessity or effectiveness.

*Subd. 2. [PERSONS COVERED UNDER STATE-FINANCED PROGRAMS.]* Coverage for persons enrolled in the children's health plan, general assistance medical care, and medical assistance, if a federal waiver is granted, shall be that which is set forth in their benefits agreements except for the following:

(1) for care of proven effectiveness delivered subject to approved practice parameters, the coverage, including choice of provider, is limited to care obtained from participating providers;

(2) coverage must be supplemented with preventive care as defined by the Guidelines of the United States Task Force on Preventive Care to the extent it is necessary and effective; and

(3) the commissioner, after consultation with the commissioner of human services, may provide additional benefits to children's health plan enrollees

*beyond those provided under section 256.936.*

*A waiver of federal regulations must be requested with respect to coverage mandated by federal law whenever care is provided under practice parameters by pilot project providers.*

**Subd. 3. [PERSONS COVERED UNDER SELF-INSURED PLANS; EMPLOYEES OF STATE AND LOCAL GOVERNMENT.]** *Coverage for persons enrolled in self-insured health plans participating in the pilot project, and for state and local government employees who are participants, must be the coverage specified in their benefits agreements, provided that:*

*(1) care is provided under pilot project guidelines by pilot project providers; and*

*(2) preventive care from pilot project providers must be made available to the extent it is necessary and effective care.*

**Subd. 4. [COORDINATION.]** *The commissioner shall take steps that may be reasonable and necessary to reconcile existing health coverage with care provided participants by pilot project providers. Any conflict between existing health coverage practice parameters and pilot project practice parameters must be resolved in favor of the pilot project practice parameters.*

*Coverage for persons who do not otherwise have health care coverage and persons enrolled in state-subsidized health programs based on benefits must be converted to coverage based on need and effectiveness at the earliest possible date.*

*The health care analysis unit shall make every possible effort to eliminate barriers to access to health care determined to be both necessary and effective and take steps to eliminate access to health care not determined to be necessary and effective.*

**Subd. 5. [PROVIDER PANELS.]** *(a) The commissioner shall appoint panels of providers with appropriate experience and expertise. The panels shall advise the health care analysis unit regarding new and revised practice parameters which have been supported by medical or health citations from appropriately controlled studies, based on outcomes data collected by the pilot project.*

*(b) In situations where these practice parameters overlap specialty or other professional boundaries, the panels must include representatives from each affected specialty or provider group.*

*(c) The panels shall advise the health care analysis unit in defining outcomes and how they should properly be used.*

*(d) The panels shall advise the health care analysis unit about adding participants and providers during the course of the project to maximize the cost savings generated by the project and to expand its size and scope to the extent practicable.*

*(e) The advice solicited under this subdivision is not binding on the health care analysis unit.*

**Sec. 5. [144.7065] [ADMINISTRATION OF THE PILOT PROJECT.]**

**Subdivision 1. [CLAIM PAYMENT.]** *Participating providers must be paid by the health plan company on the basis of fee schedules, contracts, and, to the extent they are cost effective, financial incentives established by the commissioner.*

*The commissioner shall conduct periodic audits of the health plan company under contract. The health plan company shall audit pilot project providers' outcomes management systems to ensure that cost and effectiveness data are accurately reported and pilot project guidelines are adhered to.*

*Subd. 2. [GENERAL ADMINISTRATION.] The commissioner shall establish a pilot project administrative office, hire staff, and arrange working relationships with persons currently employed by the state of Minnesota in the administration of health coverage programs. The commissioner shall also initiate procedures designed to identify and recruit for participation in the pilot project persons who do not have health care coverage, persons currently enrolled in state-financed health programs, and persons receiving coverage from self-insured plans.*

*Subd. 3. [ASSISTANCE.] State departments, agencies, boards, and commissions shall provide the assistance to the commissioner of health to design, implement, administer, and evaluate the pilot project. The evaluation must include an estimate of the savings accrued by state-financed health care programs due to the pilot project.*

*Subd. 4. [WAIVER OF INCONSISTENT PROVISIONS.] The commissioner and the commissioner of commerce may waive mandated health benefit requirements and open enrollment requirements, if there is reasonable evidence that the requirements would prohibit the operation of the pilot project. The commissioner and the commissioner of commerce shall provide for public comment before any requirement is waived. For purposes of the pilot project, section 72A.20, subdivision 15, clause (4) applies.*

**Sec. 6. [144.7066] [REPORTS.]**

*The commissioner shall, by the end of January of each year the pilot project is operating, provide a detailed report to the legislature. The report must include a review by the health care analysis unit of the:*

- (1) outcomes of care provided in the pilot project;*
- (2) progress in implementing, expanding, or revising practice parameters for use in connection with all necessary and effective modes of treatment used in the pilot project;*
- (3) actual improvements in quality of care achieved as a result of providing only care that is necessary and effective;*
- (4) actual savings achieved as a result of providing only necessary, proven, and effective care;*
- (5) impact of the pilot project's systems, technologies, and methods on all providers and other participants, health care, and the health care delivery system in general;*
- (6) progress in eliminating barriers to access to necessary and effective care provided to participants enrolled in the pilot project; and*
- (7) results likely to be achieved if the pilot project were extended to include additional persons who do not have health care coverage and additional persons currently enrolled in state or employer financed health insurance programs.*

*The report must include recommendations for any additional legislation needed to implement the project.*

*In the report due January 1, 1993, and each subsequent year, the commissioner shall make recommendations regarding any expansion of the project during the next year, including expanding the project area, the number of participants and providers, and the practice parameters to be added, or the termination of the pilot project.*

Sec. 7. [APPROPRIATION.]

*\$15,000,000 is appropriated from the general fund to the commissioner of health for the purposes of sections 1 to 6. The appropriation is available until expended.*

Sec. 8. [REPEALER.]

*Sections 1 to 7 are repealed July 1, 1996.*

ARTICLE 2

SMALL EMPLOYERS HEALTH INSURANCE PLAN

Section 1. [62K.01] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For the purposes of sections 1 to 12, 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 a distinct grouping of small employers:*

*(1) if a class of business was acquired from another health carrier;*

*(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;*

*(3) if the class of business is marketed and sold through persons not participating in the sale of health benefit plans to other distinct groupings of small employers; or*

*(4) if the class of business is provided through an association of not less than 100 small employers which has been formed for purposes other than obtaining insurance.*

*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.*

*For the purpose of this act, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62K.03 is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.*

*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. For the purpose of this act, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation may treat the health maintenance organization as a separate health carrier.

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 OR ELIGIBILITY.] "Mandated benefit or eligibility" means a health plan benefit or eligibility requirement of 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, services, or persons 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 12-month or prorated 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 July 1, 1992, through June 30, 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 any 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) 75 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. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. 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. The report required under section 9 must include recommendations regarding the use of the reinsurance pool by a health carrier for the costs incurred by an individual covered by a health benefit plan for which a preexisting condition limitation is imposed on the individual.*

*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 offered by a health carrier must be equal to 80 percent of the cost of health care services, supplies, or articles 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, supplies, or articles 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 per individual.

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, excluding services provided for the diagnosis, care, or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clause (10);*

(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; and*

(10) *inpatient and outpatient physician and hospital services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299.*

Subd. 3. [ADDITIONAL BENEFITS.] *Health carriers must offer small employers the following additional health benefit plans:*

(1) *a plan equal to the minimum benefit described in subdivision 1 with the following additional benefits:*

(i) *up to ten hours of coverage for mental or nervous disorder consultation, diagnosis, and treatment services delivered while the insured is not a bed patient in a hospital;*

(ii) *up to 60 hours of coverage for the treatment of alcoholism, chemical dependency, or drug addiction in a nonresidential treatment program approved or licensed by the state of Minnesota; and*

(iii) *coverage equal to 50 percent of the cost of prescription drugs up to \$1,000 out-of-pocket cost per individual. Coverage in excess of the out-of-pocket cost must be at 100 percent. The health carrier may use a formulary to identify drugs covered under this section; and*

(2) a plan equal to a number two qualified plan as described in section 62E.06, subdivision 2.

For each benefit design described in this section, a health carrier may offer small employers the additional deductible options of \$100 or \$250.

**Subd. 4. [NUMBER THREE QUALIFIED PLAN.]** Health carriers may offer small employers a plan equal to a number three qualified plan as described in section 62E.06, subdivision 1.

**Subd. 5. [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, supplies, or articles 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. 6. [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. 7. [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. 8. [MEDICAL EXPENSE REIMBURSEMENT.]** Health carriers may reimburse or pay for medical services, supplies, or articles 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. 9. [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. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as any necessary regulatory requirements are met. 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. The plan required under article 3, section 1, must include specific recommendations regarding the regulation of comparable products and network designs without regard to the statutory requirements of the health carrier.

**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;*

*(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;*

*(6) the use and effect of any preexisting condition provisions, if permitted; and*

*(7) the use of any provider network arrangements and effect on eligibility for benefits.*

**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. In the case of health benefit plans issued prior to the effective date of this act, which meet the definition of section 62K.01, subdivision 9, clause (4), a premium rate for a rating period, adjusted pro rata for rating periods of less than a year, may exceed the ranges set forth in section 8 for a period of five years following the effective date of this act.*

*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. [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.*

*Subd. 6. [REPORT.] The commissioners of health and commerce shall prepare a joint report to the legislature on the effect of the rating restrictions required by this section. Such report must include an analysis of the availability of health coverage due to the rating reform as well as any recommendations for additional necessary reform of rating practices in the small employer market. The report must be issued no later than December 1, 1994.*

**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 any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds, or subscribers of health benefit plans. Any health carrier which ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.*

*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 an 11-member task force to develop the rules of participation in, and operating guidelines for, the reinsurance pool. Nine members shall represent health carriers. The commissioner shall appoint these nine members as follows: three members must be representatives of insurance companies licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance; three members must be representatives of nonprofit health service plan corporations regulated under chapter 62C; and three members must be representatives of health maintenance organizations regulated under chapter 62D. In selecting task force members who represent insurance companies licensed under chapter 60A, the commissioner shall give preference to carriers with larger shares of the small employer market and to carriers domiciled in Minnesota. The commissioners of commerce and health shall serve as ex officio members of the task force.*

*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 July 1, 1992.*

**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.*

*Subd. 4. [COMMISSIONERS' ANNUAL REPORT.] On December 1 of each year, the commissioners of commerce and health, using a common format and after an opportunity to review and comment is given to health carriers, shall provide the legislature with a joint report describing the effects of the provisions of chapter 62K upon the following:*

- (1) the number of eligible employees and their dependents in the state covered by a health benefit plan;*
- (2) the number of health carriers issuing health benefit plans in the state, and their respective market shares; and*
- (3) the number of eligible employees in the state not covered by a health benefit plan.*

*In developing this joint report, the commissioners shall make use of data already available from existing sources. They may also develop rules enabling the collection of reasonably relevant and nonduplicative data from health carriers. The names of health carriers reported along with their respective market shares under clause (2) are trade secret information pursuant to section 13.37, subdivision 1, clause (b).*

#### **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 knowingly 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.*

*(c) Health carriers may voluntarily offer conversion policies under section 62E.17 to eligible employees.*

*(d) Health carriers may sell, issue, or renew individual continuation policies to eligible employees as required under section 62K.05.*

*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 indemnity benefits 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. [EFFECTIVE DATE.]

*Sections 1 to 12 are effective July 1, 1992.*

### ARTICLE 3

#### 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.*

### 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;*

*(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 5;*

*(9) provide technical assistance to health plan and health care purchasers, as required by section 6; and*

*(10) develop outcome-based practice standards as required under section 7.*

*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 who have consented to the data request, and cooperate in other ways with the data collection process. All patient-identifying information is classified as private data. For purposes of this section, the health care analysis unit shall 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 CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.45 that identify individuals are private data on individuals. Data not on individuals are nonpublic data, but the commissioner may release the data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the bureau of health care access; and individuals purchasing health care services for health plan companies and groups. Prior to releasing any nonpublic data under this paragraph that identify or relate to a specific health plan, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data.*

*(b) Data collected through the survey research initiatives of the health care analysis unit required by section 62J.47 are public data under section 13.03, except that any patient or enrollee identifying information is private data.*

*(c) Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.*

## **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.451] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]**

*Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing medical practice parameters and newly researched medical practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may also use the data collected to develop new practice parameters or refine existing practice parameters, in cooperation with the affected provider groups, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.*

*Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing medical practitioners in the state with information about practice parameters and medical practice style. The unit shall disseminate medical parameters for specific medical conditions, and the research findings on which these parameters are based, to all medical practitioners in the state who diagnose or treat the medical condition.*

*Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate.*

**Sec. 4. [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. 5. [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. 6. [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. 7. [62J.481] [OUTCOME-BASED PRACTICE STANDARDS.]**

*The health care analysis unit shall develop, revise, and disseminate practice guidelines and standards that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. Among other appropriate activities relating to the development of practice guidelines, the health care analysis unit shall:*

- (1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data; and*
- (2) conduct studies and research on the following subjects:*
  - (i) new and revised practice guidelines to be used in connection with the Minnesotans' health care plan and other settings;*
  - (ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;*
  - (iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;*
  - (iv) the cost versus the effectiveness of health care treatments; and*

*(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the Minnesotans' health care plan and other settings.*

Sec. 8. [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.*

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 shall 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 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 of health 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, consulting as necessary with the commissioner of commerce 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 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) *support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;*

(9) *support efforts to secure higher reimbursement for rural health care providers from the Medicare program; and*

(10) *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. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency.~~. A student or resident *who is accepted* must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 5. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] *Prior to June 30, 1991, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1991, through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal 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 medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually 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.*

Sec. 6. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:*

(a) *“Designated rural area” means a Minnesota community that:*

(1) *is outside a ten-mile radius of a rationally area;*

(2) *has more than 2,000 persons per physician, including seasonal variation; and*

(3) *has notified the higher education coordinating board of its need for a physician or nurse for the community.*

*For purposes of this definition, “rationally area” means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the workforce of the other communities significantly depends on the central city or cities.*

(b) *“Midlevel practitioner” means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.*

(c) *“Nurse-midwife” means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.*

(d) *“Nurse practitioner” means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.*

(e) *“Physician assistant” means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.*

Subd. 2. [CREATION OF ACCOUNT.] *A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.*

Subd. 3. [ELIGIBILITY.] *To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the*



higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

*Subd. 4. [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 midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan and the interest accrued on one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.*

*Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.*

Sec. 7. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

*Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, of each year for grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state for the fiscal year beginning the following July 1.*

*(b) The commissioner may award at least two grants for each fiscal year. The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.*

*(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.*

*(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:*

*(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.*

*(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from*

local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$50,000 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

**Sec. 8. [144.1482] [OFFICE OF RURAL HEALTH.]**

*Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.*

*Subd. 2. [DUTIES.] (a) The office of rural health in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems shall:*

*(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;*

*(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;*

*(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;*

*(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals;*

*(5) work with the bureau of health care access in the department of human services to provide access to health care in rural Minnesota; and*

*(6) carry out the duties assigned in section 2.*

*(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.*

Sec. 9. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

*The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.*

Sec. 10. [144.99] [SPECIAL ACCOUNT; PURPOSE.]

*A special account is created within the department of health, to be known as the special account for pediatric access and training. All money in the account is annually appropriated to the department of pediatrics, University of Minnesota school of medicine. Money in the account is to be used by the department of pediatrics to implement section 11.*

Sec. 11. [144.991] [PROGRAM FOR PEDIATRIC ACCESS AND TRAINING.]

*Subdivision 1. [ADMINISTRATION.] The department of pediatrics in the University of Minnesota school of medicine shall administer a program for pediatric access and training.*

*Subd. 2. [PROGRAM COMPONENTS.] Components of the program shall include, but are not limited to:*

- (1) specialized training in a variety of outpatient settings;*
- (2) recruitment of individuals with a high probability of establishing a pediatric practice in a rural or small urban, nonmetropolitan setting;*
- (3) rural training rotations; and*
- (4) development of peer support mechanisms for rural pediatric practitioners.*

Sec. 12. [SPECIAL STUDIES.]

*The commissioner of health, through the office of rural health, shall conduct the following investigations:*

- (1) investigate, develop recommendations, and prepare a report to the legislature by January 15, 1993, regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery;*
- (2) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by February 1, 1993; and*
- (3) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by February 1, 1992.*

Sec. 13. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE

## GRANTS.]

*The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 7 and report to the legislature by February 1, 1992, on any needed modifications.*

Sec. 14. [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

## APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

*Subdivision 1. [RURAL HEALTH.] \$1,510,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for rural health activities, including \$150,000 each year for hospital transition grants, \$100,000 each year for rural hospital financial assistance grants, and \$500,000 the second year for the pediatric training account.*

*Subd. 2. [HIGHER EDUCATION COORDINATING BOARD.] \$190,000 is appropriated from the general fund to the higher education coordinating board for the biennium ending June 30, 1993, including \$55,000 each year for the rural midlevel practitioner loan forgiveness program and \$80,000 the second year for the rural physician loan forgiveness program."*

Delete the title and insert:

"A bill for an act relating to health care; establishing an outcome-based demonstration project to serve uninsured Minnesotans; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; authorizing small employer health plans; requiring a study; appropriating money; amending Minnesota Statutes 1990, sections 136A.1355, subdivisions 2 and 3; 144.147, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62J; 136A; and 144; proposing coding for new law as Minnesota Statutes, chapter 62K."

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

## SECOND READING OF HOUSE BILLS

H.F. No. 2 was read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1147 a Special Order to be heard immediately.

**SPECIAL ORDER**

H.F. No. 1147: 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 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 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; 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.

Mr. Waldorf moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 14, line 3, delete "2," and delete ", and 9" and after "to" insert "19 and"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend the DeCramer amendment to H.F. No. 1147, adopted by the Senate May 14, 1991, as follows:

Page 1, delete line 6 and insert:

"Page 10, delete section 15 and insert:

"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 employ in that position an attorney to perform legal services for the division."~~

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Bertram moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 19, after line 8, insert:

**"ARTICLE 4****STATE EMPLOYEE PAY DEDUCTIONS AND DEPOSITS**

Section 1. Minnesota Statutes 1990, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. **[PAYROLL DIRECT DEPOSIT AND DEDUCTIONS.]**

An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay in any credit union or financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of or has accounts with more than one credit union or financial institution or more than one organization under section 179A.06, or is insured by more than one company, only one credit union or financial institution *may be paid money by direct deposit*, and one *credit union, one organization, and one company may be paid money by direct deposit* or by payroll deduction from the employee's pay."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "permitting payment of money by payroll deduction to credit unions as well as payment by direct deposit to credit unions or financial institutions;"

Page 1, line 9, after "sections" insert "16A.133, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 10, line 31, before "At" insert "*All professional employees as defined in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service.*"

### CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on H.F. No. 1147. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 18, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Mondale	Storm
Benson, D.D.	Gustafson	Langseth	Neuville	Stumpf
Benson, J.E.	Halberg	Larson	Olson	Traub
Berg	Hughes	Lessard	Pariseau	Vickerman
Bernhagen	Johnston	Mehrkens	Renneke	
Brataas	Kelly	Metzen	Sams	
Chmielewski	Knaak	Moe, R.D.	Solon	

Those who voted in the negative were:

Adkins	Flynn	Johnson, J.B.	Pappas	Spear
Berglin	Frederickson, D.J.	Luther	Pogemiller	Waldorf
Bertram	Frederickson, D.R.	Marty	Price	
Finn	Hottinger	Novak	Ranum	

The motion prevailed. So the amendment was adopted.

H. F. No. 1147 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Metzen	Renneke
Belanger	Day	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	Finn	Johnston	Mondale	Solon
Benson, J.E.	Flynn	Kelly	Neuville	Spear
Berg	Frank	Laidig	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Gustafson	Luther	Pogemiller	Vickerman
Brataas	Halberg	Marty	Price	Waldorf
Chmielewski	Hottinger	Mehrkens	Ranum	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages from the House.

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 351: A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

Senate File No. 351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 351, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 506: A bill for an act relating to lawful gambling; lotteries; providing for teleracing and its operation and regulation; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; 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 requirements relating to posting of pull-tab winners; 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; changing requirements relating to lottery advertising; clarifying the prohibitions on video games of chance and lotteries; authorizing dissemination of information about lotteries conducted by adjoining states; imposing surcharges on lawful gambling premises permit fees; establishing a task force on compulsive gambling assessments; appropriating money; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.02, subdivision 3; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.09, subdivision 2; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.18; 240.19; 240.23; 240.24, subdivision 2; 240.25; 240.27; 240.28, subdivision 1; 240.29; 245.98, by adding a subdivision; 290.05, subdivision 3; 290.92, subdivision 27; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivision 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 349A.10, subdivision 3; 609.115, by adding a subdivision; 609.75, subdivisions 1, 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 299L; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; 240.14; subdivision 1a; 349.154, subdivision 3; 349A.02, subdivision 5; and 349A.03, subdivision 3.

Senate File No. 506 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Berg moved that the Senate do not concur in the amendments by the House to S.F. No. 506, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

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.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.

Senate File No. 931 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Mondale moved that the Senate do not concur in the amendments by the House to S.F. No. 931, 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.

#### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Bernhagen moved that the following members be excused for a Conference Committee on H.F. No. 21 at 8:00 p.m.:

Messrs. Bernhagen, Bertram and Ms. Johnson, J.B. The motion prevailed.

#### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Ms. Ranum moved that the following members be excused for a Conference Committee on H.F. No. 693 from 7:15 to 8:45 p.m.:

Messrs. Merriam, Knaak and Ms. Ranum. The motion prevailed.

#### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1631 at 4:30 p.m.:

Messrs. Kroening, McGowan, Luther, Cohen and Merriam. The motion prevailed.

#### **CALL OF THE SENATE**

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1571. The Sergeant at Arms was instructed to bring in the absent members.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1571 a Special Order to be heard immediately.

#### **SPECIAL ORDER**

S.F. No. 1571: A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

Mr. Pogemiller moved to amend S.F. No. 1571 as follows:

Page 4, line 36, delete "*Akely, Akely*" and insert "*Akeley, Akeley*"

Page 5, line 3, delete "*Enima*" and insert "*Emma*"

Page 16, line 14, delete "*Eden Lake*" and insert "*Eden Valley*"

Page 19, delete line 30 and insert "*County consisting of the city of Mankato, and that portion of Blue*"

Page 22, line 30, delete "*Silver*" in both places and insert "*Cascade*"

Page 27, line 11, after "25," insert "29,"

Page 30, lines 30 and 31, delete "*188th*" and insert "*108th*"

Page 32, delete line 4 and insert "*city of Edina with State Highway 62, easterly along State Highway 62*"

Page 32, line 5, delete "*169*"

Page 32, lines 7 and 8, delete "*Lagoona*" and insert "*Laguna*"

Page 32, lines 8 and 9, delete "*Woodale*" and insert "*Wooddale*"

Page 32, line 24, delete "*Lake Street and the*" and insert "*the southern boundary of the city of Woodland and State Highway 101, southerly along State Highway 101 to Minnetonka Boulevard, easterly along Minnetonka Boulevard to Williston Road, southerly along Williston Road to Lake Street, easterly along Lake Street to Christy Lane, southerly along Christy Lane to State Highway 7, easterly along State Highway 7*"

Page 32, delete line 25

Page 32, line 26, delete "*Street*"

Page 33, lines 22 and 35, delete "*44A*" and insert "*44B*"

Page 33, line 34, delete "*44B*" and insert "*44A*"

Page 34, line 26, delete "*Robbinsdale*" and insert "*and Robbinsdale, that portion of the city of Golden Valley lying north and east of a line described as follows: commencing at the intersection of the western border of the city of Golden Valley and the extension of Earl Street, easterly along Earl Street to Independence Avenue North, northerly along Independence Avenue North to Duluth Street, easterly along Duluth Street to Winnetka Avenue, and northerly along Winnetka Avenue to the northern boundary of the city of Golden Valley*"

Page 34, line 27, delete "*58th Avenue North*" and insert "*a line described as follows: commencing at the intersection of the western boundary of the city of Brooklyn Center and 58th Avenue North, easterly along 58th Avenue North to Shingle Creek, southerly along Shingle Creek to the southern boundary of the city of Brooklyn Center*"

Page 36, line 10, delete everything after "*with*" and insert "*the right-of-way of State Highway 610, southeasterly along the right-of-way of State Highway 610*"

Page 36, line 11, delete "*Road 11B*"

Page 36, lines 23 and 24, delete "*Central Avenue Northeast*" and insert "*State Highway 65*"

Page 36, line 24, after "*to*" insert "*an extension of*"

Page 36, line 25, before "*Lynde*" insert "*the extension of Lynde Drive and*"

Page 36, lines 26 and 27, delete "*Regis Trail*" and insert "*Matterhorn Drive*"

Page 40, line 31, delete from "*and*" through page 40, line 33, to "*54*" and insert "*Gem Lake, and Vadnais Heights*"

Page 41, lines 6 and 7, delete "*White Bear*" and insert "*Bald Eagle*"

Page 41, line 24, delete "*and*" and insert a comma and after "*Gem Lake*" insert "*, and Vadnais Heights*"

Page 41, lines 25 and 26, delete "*cities of Vadnais Heights and*" and insert "*city of*"

Page 42, delete lines 1 to 34 and insert:

*"Subdivision 1. [SENATE DISTRICT.] Senate district 54 consists of that portion of Ramsey County consisting of the cities of Roseville, St. Anthony, Lauderdale, and Falcon Heights, that portion of the city of Maplewood lying within a line described as follows: commencing at the intersection of Rice Street and Larpenteur Avenue, easterly along Larpenteur Avenue to DeSoto Avenue and a railroad right-of-way, northeasterly along the railroad right-of-way and an extension of it to Parkway Drive, northeasterly along Parkway Drive to Frost Avenue, easterly along Frost Avenue to Atlantic Street, northerly along Atlantic Street to the railroad right-of-way, northeasterly along the railroad right-of-way to Hazelwood Street, northerly along Hazelwood Street to State Highway 36, easterly along State Highway 36 to White Bear Avenue, northerly along White Bear Avenue to County Road C, westerly along County Road C and its extension to the western boundary of the city of Maplewood, southwesterly along the western boundary of the city of Maplewood to the point of origin; that portion of the city of Little Canada lying within a line described as follows: commencing at the intersection of the northern boundary of the city of Little Canada and Rice Street, southerly, easterly, and northerly along the boundary of the city of Little Canada to Keller Parkway, westerly and southerly along Keller Parkway to Little Canada Road, westerly along Little Canada Road to Interstate Highway 35E, northerly along Interstate Highway 35E to Interstate Highway 694, northwesterly along Interstate Highway 694 to the northern boundary of the city of Little Canada, and westerly along the northern boundary of the city of Little Canada to the point of origin, and that portion of Hennepin County consisting of the city of St. Anthony."*

Page 43, line 4, delete “, *Maplewood, and Vadnais Heights*” and insert “*and Maplewood*”

Page 43, line 10, delete “*westerly*” and insert “*easterly*”

Page 51, line 34, delete “*57th*” in both places and insert “*67th*”

Page 52, delete line 12 and insert “*Minneapolis and State Highway 62, easterly along State Highway 62*”

Page 52, line 13, delete “*highway 494*”

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend S.F. No. 1571 as follows:

Page 7, lines 9 and 34, delete “*7A*” and insert “*7B*”

Page 7, line 33, delete “*7B*” and insert “*7A*”

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend S.F. No. 1571 as follows:

Page 34, line 2, after the third “*of*” insert “*the city of Wayzata,*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1571 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Morse	Sams
Beckman	Finn	Lessard	Novak	Samuelson
Berglin	Flynn	Luther	Pappas	Spear
Bertram	Frederickson, D.J.	Marty	Piper	Stumpf
Chmielewski	Hottinger	Merriam	Pogemiller	Traub
Cohen	Johnson, D.J.	Metzen	Price	Vickerman
Dahl	Johnson, J.B.	Moe, R.D.	Ranum	
DeCramer	Kelly	Mondale	Reichgott	

Those who voted in the negative were:

Belanger	Day	Johnston	Mehrkens	Solon
Benson, D.D.	Frank	Knaak	Neuville	Storm
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	Waldorf
Berg	Gustafson	Langseth	Pariseau	
Bernhagen	Halberg	Larson	Renneke	
Davis	Johnson, D.E.	McGowan	Riveness	

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

**MESSAGES FROM THE HOUSE**

Mr. President:

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

S.F. No. 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.

Senate File No. 785 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 785, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

**RECESS**

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

**APPOINTMENTS**

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 351: Messrs. Pogemiller, Luther and Neuville.

S.F. No. 931: Messrs. Mondale, Metzen and Laidig.

S.F. No. 506: Messrs. Berg; Spear; Johnson, D.E.; McGowan and Dicklich.

H.F. No. 551: Mr. Laidig replaces Mr. McGowan.

S.F. No. 785: Messrs. Cohen, Solon and Larson.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Messrs. Johnson, D.J.; Frederickson, D.J.; Price; Pogemiller and Ms. Reichgott were excused from the Session of today at 12:00 noon and other brief periods of time. Mr. Novak was excused from the Session of today from 12:00 noon to 1:50 p.m. Mr. DeCramer was excused from the Session of today from 2:00 to 8:00 p.m. Mr. Halberg was excused from the Session of today from 2:00 to 4:00 p.m. Mr. Frederickson, D.R. was excused from the Session of today from 2:00 to 3:00 p.m. Ms. Berglin was excused from the Session of today from 1:30 to 4:50 p.m. Ms. Olson was excused from the Session of today from 3:00 to 5:00 p.m. Mr. Gustafson was excused from the Session of today from 3:45 to 4:25 p.m. Messrs. Langseth, Beckman

and Mehrkens were excused from the Session of today from 7:00 to 9:00 p.m. Mr. Hughes was excused from the Session of today at 8:45 p.m.

The following member was excused from today's Session for brief periods of time: Ms. Johnson, J.B.

### **ADJOURNMENT**

Mr. Luther moved that the Senate do now adjourn until 8:30 a.m., Friday, May 17, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate